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25 June 1982

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No. 1987

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## BRIEFS

EXISTENCE OF ILLEGAL ARMS--In answer to a question about the existence of an illegal organization as described by the ELEVTHERTOTYPIA newspaper, a government spokesman replied that there are many illegal weapons hidden around that have not yet been discovered. Their being held by irresponsible persons, he added, constitutes a threat, and that is why police are vigilant. Additionally, in reply to a question about whether there is a relationship between the weapons that were discovered in Kouppis' mother's house and the statements made by AKEL, the spokesman stated: "As long as the investigation continues, we shall have nothing concrete to say." Finally, he stated that the investigation about these weapons is still continuing, and arrests may be made as warranted by specific testimony. [Text] [Nicosia O AGON in Greek 30 May 82 p 1]

FEARS ABOUT RIGHTIST TROUBLEMAKERS--The recent accumulation of troubling information and events about new destabilization plans by extreme rightist individuals and unrepentant elements has fueled fear and concern among our people, who still vividly remember the "activities" of foreign-inspired terrorists and bear their bloody wounds. The statement made by a government spokesman that "certain known individuals are conducting contacts to reorganize themselves," must not be allowed to pass unnoticed, because this, in effect, means the reactivation and reestablishment of illegal groups. The EOKA B has perhaps let its illegal activities slacken, there has perhaps been a decrease in them--probably because the climate was not propitious enough--but this does not mean that the criminal syndicate has definitely ceased to exist. Moreover, it is a well-known fact that not a few coupists have enrolled in the ranks of the Democratic Rally, just as the existence of thousands of illegal weapons in the hands of unrepentant individuals and groups is not doubted. To underestimate the threat to our country from these ungodly plans would be a fatal mistake. We have the bitter experience from the past, from which we ought to draw indispensable lessons. Therefore, there should be no tolerance but only annihilation of illegality. Our struggle demands it and our salvation and the country's future require it. [Text] [Nicosia KHARAVGI in Greek 28 May 82 p 3]

CSO: 4621/380

## BOMB EXPLODES IN IOANNINA GENDARMERIE HEADQUARTERS

Athens TA NEA in Greek 17 May 82 pp 1, 4

[Text] Ioannina, 17 May, from our correspondent. A very strong explosion shook the Ioannina city area at 7 minutes past midnight Sunday morning. Unknown persons had placed in the basement of the 5-floor gendarmerie building a cluster of dynamite which they connected to a slow burning fuse. The officer on duty originally thought that the smoke of the burning fuse was coming from a fire and he called the Fire Service and the Public Power Corporation [DEI] believing that there was a short circuit. As the firemen were preparing to go into the building the explosion took place causing panic among the passersby and the tenants in the neighboring apartment buildings. The gendarmerie building is located in a central area of the city.

## Extensive Damage

No victims were reported, thanks to good luck, since the firemen, passersby and policemen working in various offices of the building could have been killed. But the damage caused to the building and to patrol cars in the adjacent streets was extensive. The glass windows of nearby stores and apartments were shattered.

According to preliminary investigation, unknown persons placed the bomb from the backyard of a nearby house in the building through the skylight of its storage room. The police estimates that the bomb must have been planted around 2345 hours and exploded at 7 minutes past midnight. Up to this moment no organization has claimed responsibility for the bomb.

## A Near Tragedy

Policemen who saw the bomb just before it exploded and kept their distance said that it consisted of dynamite estimated at more than 3 kilos. The gases from the explosion escaped through the basement doors and the skylight; otherwise, greater damage may have been caused since, according to reports, there were explosives in the basement stored there for the needs of the Ipeiros Supreme Gendarmerie Administration. If a fire had broken out, the explosion would have been tremendous. Police authorities believe that those who placed this bomb in the gendarmerie building were the same persons who a month ago placed a bomb in the secretary's office of the Ioannina University Philosophy School. Public Order Minister Skoularikis was immediately informed of the explosion and the police, headed by Giannopoulos, commander of the Ipeiros Gendarmerie, began an intensive search.

7520

C30: 4621/369

## BRIEFS

TWO ARRESTED IN ATHENS BOMBING--A young man threw two Molotov bombs last night at 2030 hours in the Ionian and Popular Bank branch on the corner of Solonos and Ippokratous Sts. The culprit, a tall young man with short hair, first broke the glass of the bank's outside door with his foot then went across the street and threw the two bombs he had set on fire. One of the bombs exploded on the sidewalk and the other inside the bank without, however, causing damage. The police arrived on the scene and, following suggestions, arrested certain suspicious persons. Police sources said late last night that the culprits were Fotis I. Danatos, 19, an unemployed, and Sofia Nik. Dimou, 23, a student at the Pandeios [Supreme School of Political Sciences]. After he threw the bombs, Danatos jumped on the motorcycle driven by Dimou. The two were chased and arrested. Danatos has been arrested many times for incidents which anarchists provoked months ago. He was sentenced to 3 years imprisonment with suspension for incidents in Piraeus. [Text] [Athens I KATHIMERINI in Greek 20 May 82 p 1] 7520

HOMEMADE BOMB EXPLOSION--A homemade bomb exploded last night in the building at 17-19 Tsaldari St. which houses the earthquake victims' service of the Public Works Ministry. The bomb was placed near the door of the building's garage and caused serious damage. [Text] [Athens I VRADYNI in Greek 19 May 82 p 1] 7520

CSO: 4623/369

## BRIEFS

GROUNDWORK LAID FOR GAS SWITCH--The government has reached the final decision to close down the coal gas factory on Piraeus Street, and replace it with two natural gas units to be built in Aspropyrgos, Industry and Energy Minister Anastasios Peponis said in a press conference yesterday. Peponis said the coal gas factory, which is blamed for its polluting effects, will stop operation by the end of 1983. The construction of the two natural gas factories will begin in September. The two units are expected to be ready for operation before the end of 1983. The Minister said the solution chosen not only contributes to reduction of pollution, but also lays the groundwork for the introduction of natural gas in Greek industry. When natural gas replaces coal gas, he said, industries, not fuelled by coal gas will have the option of either switching to natural gas, or relocating outside the Athens area. Athens Mayor Demetris Beis said a natural gas distribution network be gradually created. The Plaka neighborhood, on the foot of the Acropolis, would have priority in this regard the Mayor said. Atmospheric pollution from apartment building heating units using heavy oil has become a serious threat to the Acropolis monuments, and the previous government had already issued special ordinances banning the use of low-grade oil, with a high sulphur content, in apartment buildings near the Acropolis. [Text] [Athens ATHENS NEWS in English 4 Jun 82 p 4]

CSO: 4600/532

## DELAY ON ALGERIA-ITALY GAS PIPELINE DEPLORED

Rome RASSEGNA SINDACALE in Italian 27 May 82 p 59

[Article by Sergio Giulianati: "Serious Threat to Italy-Algeria Gas Pipeline"]

[Text] In spite of optimistic official statements, the "hallucinating" developments concerning the Algerian gas pipeline resist any solution. Personalities in government come out with public assurances but we cannot yet speak of a real turning point, away from the deadlock in which we are now, about negotiations so that Italy might be able to get the gigantic facility going, that is, the ENI [National Hydrocarbons Agency] structure (the gas pipeline) which is admirable for many reasons. A recent round-table discussion at the Italian-Arabic Association should at last have clarified the Italian position on the Algerian gas pipeline and above all with respect to the concept of equal cooperation with the developing countries which was exemplified in a manner that should not have remained an isolated incident in the construction of the trans-Mediterranean gas pipeline and in the system for paying for the gas (not in foreign exchange but in Italian capital goods and services exports).

It is our feeling that--in spite of the statements by Minister Capria who appeared definitely in favor of the agreement--there are forces in the government which have been working and are still working to frustrate the undertaking which had aroused so much hope in Italy's South and in friendly Algeria, something which was also recalled by that country's Ambassador Ovssedik.

We would be very happy if the facts were to disprove what we have just said but we cannot fail to point to the responsibility of those who brought Italian-Algerian cooperation relationships to a point where restoration would be difficult and we cannot fail to demand that such responsibility be made known in view of the serious damage already inflicted upon Italy's economy.

The problem of energy source diversification has been tackled by the CGIL [Italian General Confederation of Labor] for a long time, placing special emphasis on the possibilities of using methane gas and therefore considering its growing use in efforts to restore the balance of the South and in international economic relations.

The development of methane use in the South has suffered a series of blows due to the continuing discussion on the price of Algerian gas. The CGIL and the



United Federation repeatedly urged the ENI and the administration to bring negotiations to a positive conclusion. Upon the expiration of the deadline of 15 April agreed upon for a direct understanding between ENI and SONATRACH [National Company for the Transport and Marketing of Hydrocarbons] to supply 12 billion cubic meters per year, the word was passed to the governments and we expected that the issue would be resolved with a more political and overall vision rather than from a strictly narrow commercial and sector angle. In any case we must not forget that the delay in the arrival of Algerian gas causes damage to the entire Italian economy which is difficult to calculate.

Still, the delaying maneuvers continue and they have caused the ENI commissioner to suggest to the minister of state participation that SONATRACH be "formally charged with default" to be followed by recourse to international arbitration. This would signify a further harmful delay and above all it would not make it possible to develop that political discourse on cooperation which should have gotten the agreement with Algeria off the ground. We would like to remind the leaders of ENI and of SNAM [National Gas Pipeline Company]--who keep delaying the agreement, by sticking to concepts of immediate economic convenience and offering a ridiculous price increase (from \$3.50 per MBTU, that is, millions of British Thermal Units, to 3.85, as against a demand of a little more than \$5)--that the price of Algerian gas is being devaluated also on the basis of the exchange of goods and services and the payment for real goods which the Algerians are prepared to accept and which it would be in Italy's interest to export. We furthermore think that the decision on Algerian gas should not be viewed as an alternative to the Siberian gas pipeline. Besides, the Siberian gas pipeline could be operational only within at least 5 years. This is also necessary and the "pauses for thinking" which are too long only serve to keep the national energy plan up in the air; that plan calls for using both gas pipelines and for making the necessary distribution facilities ready. We trust that the thinking will be concluded positively before the new deadline granted by the Soviets to maintain the foundations of the agreement worked out at this time. It is at last evident--in view of the need for using at least 40-45 billion cubic meters of gas over the next several years--that we cannot run the risk of any further delays which would have repercussions on the economy and on the country's growth. Since the conclusion of the accord with Algeria would reduce "dependence" on the Siberian pipeline, which has aroused fears as to political risks among some Italian political leaders, it is indeed strange that it is they who are delaying and obstructing the completion of the accord with Algeria. While the Siberian gas pipeline can symbolize a contribution to the resumption of East-West detente, the agreement for the arrival of Algerian gas in the South would also express that North-South dialogue which can never be implemented with paternalistic aid but only with equal relations.

In the meantime however France has concluded its agreement with Algeria for methane. During the first quarter of 1982 alone, France obtained 3 billion francs worth of orders for capital goods and projects for the construction of about 50,000 housing units, worth about 20 billion francs. These are "spaces" which Italy could have had but which it cannot regain now.

5058

CSO: 3104/222



## FOREIGN MINISTER WANTS STRONGER TIES WITH EEC

Nicosia CYPRUS WEEKLY in English 28 May-3 Jun 82 p 32

[Text]

Foreign Minister Nicos Rolandis reaffirmed yesterday that Cyprus will stick to Europe and push for a customs union with the European Economic Community.

In a speech before the House of Representatives, he made it clear that "the course towards Europe we have been following" was the only way to maintain a strong and "dynamic" economy.

His remarks are likely to be criticised by Left-wing Akel which opposes closer links between Cyprus and the EEC.

**Debate**

In an apparent effort to bring to the open a possible rift between Diko and Akel, the Opposition Democratic Rally immediately demanded a full-scale debate on the issue.

House President George Ladas thanked Mr Rolandis for his "beautiful" speech. Rally leader Giafkos Clerides remarked "We are not concerned whether the speech was beautiful. This is not a beauty contest. But we would like to keep the matter on the agenda and to have an open debate."

The Democratic Party (Diko) originally suggested that the matter be discussed at committee level so that Mr Rolandis could answer any queries from members. But later it was unanimously decided to hold a public debate at the next session.

**Interruption**

In his speech, Mr Rolandis made it clear that the forthcoming negotiations on Cyprus-EEC relations would be of "supreme importance" since they would determine the "future and economic progress of our country".

He mentioned that under the association agreement signed in December 1972, a Cyprus-EEC customs union should be achieved, in two stages, within a period of about ten years. But the whole process was interrupted in 1974 following the Turkish invasion.

As a result, the first stage was extended and efforts have been made since then to improve the trade regime now in force. Progress has been prevented due to internal Community problems which led France and Italy to block moves on improving Cyprus' trade terms with the EEC.

The Foreign Minister referred to the series of talks he and President Kyprianou held with European leaders on the matter, and said the Cyprus government had conveyed its "deep disappointment" at the lack of progress. Cyprus expected "substantial improvements" as regards EEC concessions for the island's agricultural exports, he said, and in promoting Cyprus-EEC relations towards a customs union.

**Deficit**

He hoped that by the end of next month, the EEC Council of Ministers would issue instructions to the EEC Commission to start negotiations with Cyprus on the trade regime to be in force in the next two

years. He also hoped that the second financial protocol would provide for higher assistance to Cyprus (the first envisaged aid amounting to 31m. dollars).

Mr Rolandis mentioned that Cyprus had an unfavourable trade deficit with the Community amounting to £174 m. last year. "The deficit since 1973 is almost two billion dollars", he said.

The Foreign Minister reaffirmed that Cyprus would maintain its "moderate and balanced non-aligned foreign policy."

## BRIEFS

BALANCE OF TRADE, FINANCIAL DATA--A Popular Bank statement on January-February 1982 developments states that the deficit with common market countries increased from 27.4 million pounds in February 1981 to 33.9 million points in February 1982, while the surplus with the Arab countries increased to 4.7 million pounds. The deficit with other countries (including the East European ones) increased by 25 percent to 30.5 million pounds. The statement states also that: the total offer of money dropped by 0.8 million pounds; the deposits increased by 584.2 million pounds; the percentage of the bank system liquidity decreased by 2.4 percentage units to 23.6 percent; the consumption of electricity increased by 5.9 percent; the unemployed exceeded 6,000 and were 10.1 percent more than 1981, while the unemployed in the construction sector represented 20 percent of the total; and the tourist arrivals totaled 30,250. They increased, that is, by 14.5 percent. [Text] [Nicosia TA NEA in Greek 18 May 82 p 8] 7520

KUWAIT ROAD CONSTRUCTION LOAN--Kuwait will provide Cyprus with a loan of 8 million dollars for the continuation of the Third Road Construction Plan which will cost 48 million dollars. The loan by the Kuwait Development Fund will be used for improving the rural, 200-kilometer road network and the construction of the Limassol avenue by-pass and its extension to Ypsona and Erimi (19 kilometers). [The loan] will also be used for the purchase of special equipment for the inspection of motor-driven vehicles for use in Nicosia, Limassol, Larnaca and Paphos. The Third Road Construction Plan also provides for the purchase of mechanical equipment for the Road Maintenance Program, technical assistance for preparing technological studies for future projects and training personnel of the Public Works and Overland Transportation Department. The loan agreement was signed by Mirhani, head of the Kuwait Development Fund mission, and by Cypriot Communication Minister Mavrellis. [Text] [Nicosia TA NEA in Greek 23 May 82 p 12] 7520

CSO: 4621/321

## GOVERNMENT NOT DENYING REORGANIZATION RUMORS

Athens EPIKAIRA in Greek No 721, 27 May 82 pp 14-15

[Text] A hint by Papandreou and...the broadest interpretation given by two pro-government newspapers has created a climate of insecurity in the Ministerial Council. Everyone is now expecting a government reshuffling and soon, moreover--"after 30 June when the premier will have completed his international commitment." The hint was made in Kefallinia and stated:

"PASOK and more generally the whole movement of Change has many capable, experienced, honest and young or experienced cadres who can certainly offer services to the government and will be called upon to do so."

Almost all newspapers interpreted the statement as an advance announcement for [government] reorganization and more particularly ETHNOS which wrote that according to "reliable sources" at least one fourth of the ministers, 10, that is, will be replaced. The reshuffling will take place "immediately after the law on the Ministerial Council was voted" and at the same time "inefficient" senior officers of banks and organizations will be replaced, with the exception--according to ETHNOS--of Arsenis who is being attacked by the Right and is completely aligned with the "policy of Change and the new structures of the country's economy." The opposition newspapers report that among the ministers to be dismissed are Drettakis, Tritsis, Veryvakis and Giannopoulos. Other newspapers place the reorganization in September in order "for the government to appear with a new face in the municipal elections."

The government itself does not deny the possibility of reorganization even before the law on the Ministerial Council is voted but provides no other information.

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CSO: 4621/322

## EAV REPORTS 1981 LOSSES, CONTRACTS REVIEW

Athens I KATHIMERINI in Greek 20 May 82 pp 1, 3

[Article by N. Gerakaris: "Review of the EAV Agreements"]

[Text] At a press conference yesterday Greek Aircraft Industry [EAV] president, Prof. D. Papanikas, said that all EAV contracts will be reviewed and that in all probability the agreement with the American company Lockheed will be cancelled. Lockheed is responsible for the EAV organizational operation, for the supply of know-how and for the work load.

Papanikas said that with regard to Lockheed the prevailing opinion is to cancel the contract at the end of 1984. The agreement regularly expires in 1991 but it is believed that it can be terminated in 1984 by paying a small indemnification to the company.

In his interview with reporters specializing in military affairs, the EAV president pointed out the following, in part:

a. The total EAV personnel today is 3,350 working people. Of these, 85 are foreign consultants, mostly American (70 from Lockheed) and a few French. The 1981 salaries of these consultants reached 500 million drachmas. It is anticipated that this year the amount will be reduced to 400 million drachmas with corresponding reduction in foreign personnel.

## Problems

The problems accumulated by EAV's development must be dealt with through a systematic evaluation of the prospects in the aircraft building industry. The situation the new administrative council inherited was full of chronic problems which had become more acute particularly during the preelectoral period (small productivity, serious delays in the aircraft repair program, inadequate organization in the management and distribution of parts, qualitatively undergraded and numerically swollen personnel, abrogated syndicalist freedoms). Specifically, during the January-October 1981 10-month period 900 persons were hired (30 percent of the personnel) at a loss of 350 million drachmas due to wages and salaries paid to unnecessary personnel while 200 were fired mainly for unionist activities. Of the 900 persons, 10-20 senior cadres were released. An effort is being made to train the rest and transfer them to the production sector.

b. EAV can repair 22 models of airplanes and 22 types of engines and has an inventory of 260,000 various kinds of spare parts. Since 1981, 10 percent of the production represents construction (doors of air-buses, part of the floor of Italian aircraft, Canadian helicopters, etc.).

c. The result of incorrect assessment of the original planning by the company was an exceedingly broad spectrum of production and an unplanned investment development which loaded the company with loans exceeding 300 million dollars but also with production capacity gaps which cannot be readily filled by the market.

#### Production Increase

d. The new administrative council has hired those who were fired for unionist activities, has ensured the completion of EAV's program qualitatively and deadline-wise. It also has ensured the improvement of the production procedures with encouraging results. Today, the average monthly production of engines has increased to 25 from about 15 engines--the previous maximum monthly production of the complex.

e. A long-term development program will be charted within the national planning which will provide for economic solutions for gradually covering the large deficit due to the company's borrowing abroad. EAV's capabilities can be enhanced through counterbalancing contributions from the placement fees abroad--from securing orders, that is, from suppliers to the Greek state. On the other hand, the effort continues to find customers abroad: engines for Jordan, Egyptian transport planes and aircraft for Dubai are only some of our efforts in this area. But the volume of orders has not reached the point the founders of EAV envisioned, nor to the point we want and must reach. The investment of 25 billion drachmas EAV represents today is a very large national investment which must produce profits sometime. We estimate that in 1 or 2 years the company can work efficiently if one does not take into consideration its debts.

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CSO: 4621/366

## UNEMPLOYMENT IN SOUTH TO HIT 17.6 PERCENT BY 1990

Rome L'UNITA in Italian 26 May 82 p 2

[Interview with Napoleone Colajanni of PCI [Italian Communist Party] by Giuseppe F. Mennella: "In 10 Years Only the South Will Have Unemployment"]

[Text] Rome--"Over the next 10 years, unless there are real and suitable changes in the planning of our country's economic policy, unemployment will all be concentrated in Southern Italy, producing another dangerous opening of the scissors between Italy's North and South. Suffice it to cite a single figure: The present unemployment rate of 11.5 percent will climb to 17.5 percent."

This is the central (and alarming) fact that emerges from an interview with Napoleone Colajanni. The basis was a set of figures projecting the economic trend between now and 1990. We asked Colajanni first of all to set the significant figures up in some sort of order.

[Answer] Taking into account demographic trends, our country could have, by 1990, 2,400,000 unemployed, or 9.2 percent of the work force (1981: 2,000,000 unemployed, or 7.6 percent). But this overall figure must be broken down by geographical areas to grasp its full significance: At that point, we will have in the North-Central region an unemployment rate of 4.9 percent (compared with 5.8 percent registered in 1981); in the South, however, unemployment will reach 17.6 percent of the work force (today, it is 11.5 percent)."

[Question] Thus, the current trend indicates a sharp drop in unemployment in the North-Central region and a dramatic and frightening rise in the Southern areas. How is this projection arrived at?

[Answer] This projection hinges on three pivotal axes: 1) An increased exodus from agriculture, partly because of aging of those now working in it and partly because of the flight of the forces that will still be of working age; 2) a non-increase in the number employed in industry; 3) an employment growth concentrated entirely in the services sector, that will at least offset a slowing of employment in the public sector. In practical terms, this assumes there will be 1,200,000 new jobs over the next 10 years. This figure is the equivalent of

that registered during the 1970's. This overall figure takes into account some significant internal shifts: Growth in the upper tertiary sector; slowing of growth in the commercial sector; a stationary situation in the transport sector; and, as has already been mentioned, a slowing in the public administration sector and non-growth in the industrial sector.

[Question] But how is the widening of the gap between the North and South expected to come about?

[Answer] The trends are as follows: In the North, practically all the incoming work force will be absorbed to replace those leaving the work force for reasons of age and by the new jobs being created in the services sector. In this area of the country, in fact, the number of jobs to be vacated because of age limitations--in agriculture, industry and services--will total 3,050,000 units by the end of the decade. This is an incontestable fact based on the age statistics of those currently employed. Still speaking of the North, another demonstrable fact is that the new crop of workers entering the labor market will total 3,950,000 persons. The jobs in industry and the services requiring replacements in the North will total 2,800,000, while the new jobs likely to be created in the services (there will be no expansion in industry jobs, as we have said) may be expected to total some 1,150,000. The sum of these two figures is 3,950,000, which is exactly equal to the new crop of workers entering the market in the North.

[Question] Now let us look at the situation in the South...

[Answer] There, the new crop will be 1,950,000 units. The jobs that will be opened up through retirements and foreseeable growth in the tertiary sector cannot be expected to exceed a ceiling of 1,540,000. And there we have the 400,000 unemployed we expect to register throughout the country between now and 1990. They are, in fact, concentrated in the South. This is all based on realistic assumptions regarding a rise in productivity (obviously, one cannot preclude the possibility of an international recession of such magnitude as to throw the entire world economy into reverse gear, but at that point all estimates would be turned topsy turvy) and a rise in national income at an average rate of 3 percent per annum (a rate already experienced in the decade just past).

[Question] So much for the trends. How, then, can they be modified?

[Answer] Sights must be set on a rise in national income exceeding that which could be achieved in industry alone. Let us take a realistic example: To raise our mean national income half a percentage point would require the creation of 1,450,000 jobs instead of the 1,200,000 jobs indicated by the current trends. This means 250,000 additional jobs, three-fourths of which (that is, 180,000) must come from industry, and one-fourth from the upper services sector. But if these 180,000 new jobs in industry, which would have to be the object of an economic policy aimed at developing employment, were to follow the current distribution of Italian industry, they would, alas, be all concentrated in areas



that are already industrialized. With the result that: The unemployment rate in the North would drop to around 3 percent (a level at which we can begin talking in terms of full employment), thus deepening the abyss between North and South.

[Question] The initial conclusion seems inescapable: During the 1980's the problem of Southern Italy will become more acute...

[Answer] There can be no doubt of it, and that must be the focal point of any policy of recovery. There can be no thought of going over the same road we have traveled during the past decades and in recent years, on penalty of splitting the country in two. But a policy of this kind is possible only if there is a revitalization of investment. However--and take careful note of this--the free play of the forces of the marketplace cannot possibly bring about a new relationship between consumption and investments; nor can it foster a different territorial distribution of those investments. The real need is therefore crystal clear: An energetic and effective planning policy.

The final conclusion to be drawn is that an /employment board [in boldface]/ must have two distinct functions: In the North, it must address transitory conditions in such a way as to enable the necessary restructuring of the productive apparatus, considering that the basic trend does not point toward unemployment in this area of the country. It must also manage local and sectoral crises there, which can be dramatic but are reabsorbable over the medium term. In the South, however, it must respond fully to the agonizing and frightening dimensions of the unemployment problem there.

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## NATIONAL INCOME DISTRIBUTION REPORT ANALYZED

Madrid ACTUALIDAD ECONOMICA in Spanish 20 May 82 p 30

[Text] The report on the distribution of national income--a classic of Spanish statistics drafted by the Bank of Bilbao--has just come out. The first conclusion is that the crisis has cost the richest and the poorest provinces the most. The "middle class" regions, particularly Galicia, Rioja and Cantabria, have been best able to defend themselves.

A comparative analysis of the data for 1977 and 1979 confirms that the process of concentration of production in the provinces with the highest level of total production, a process which had already begun in the 1976-1977 2-year period, is slowing down. It is the intermediary provinces whose position can be seen to have improved perceptibly in 1979.

From the point of view of provincial income, the trend away from concentration already begun in the first years of the world crisis is confirmed. The 10 provinces which had the highest per capita income in 1977--Madrid, Alava, Barcelona, Biscay, Guipuzcoa, Gerona, the Balearic Islands, Tarragona, Navarre and Zaragoza--had a smaller share of the national income in 1979. However, the five provinces with the highest income level--those listed first above--still have an average level exceeding 2.16 times the per capita income in the five poorest--Jaen, Badajoz, Orense, Granada and Caceres, specifically, an average of 411,170 pesetas in 1979, as compared to 190,172 pesetas.

Available family income, for its part, developed very favorably in the poorest provinces in the 1977-1979 2-year period, as compared with an increase which was less than average in the provinces with the highest level of available family income. After all, the provinces showing the greatest expansion in these last 2 years are characterized by limited industrial production. Among the provinces with least growth were those of a heavily industrial nature or with ill-favored agriculture. The strengthening of a trend away from concentration in the production and income categories in this 2-year period should also be stressed, although the trend toward population concentration continued to some degree, despite the employment problems which developed in the most heavily populated zones.

#### Disasters Caused by the Crisis

The 1979 national income study includes a portion dedicated to the effect the economic crisis had on the various regions in the period between 1973 and 1979.

The conclusions derived by the Bank of Bilbao study with regard to these crisis years are as follows:

The economic crisis had a certain braking effect on the migratory movements of the Spanish population, tending to stabilize them in their places of origin.

The drop in employment has been a generalized phenomenon in all the regions, but has had the greatest effect on the least developed ones and those with a high industrial level. The regions with a middle level of industrial development and in which the tertiary sector is more important were the least affected.

A greater discrepancy can be seen between the number of persons employed and the number of jobs in precisely those regions with the highest unemployment rate. Real unemployment may be lower than the survey shows due to the concealment of unofficial jobs held. However, the larger percentage of the population of working age not reported as employed confirms the seriousness and the extent of unemployment, especially in the regions with extensive agriculture and a high index of emigration and in the most industrialized regions.

The change in relative prices has caused further deterioration in the situation of the industrialized regions. The change in farm development and the low construction level has most affected the richest and poorest regions. Those in an intermediary position have maintained the highest production levels.

The growth of the tertiary sector in the Spanish economy is evident in all of the regions. The loss of importance for industry and construction is also general. Only Rioja, Castile-Leon and Galicia are still expanding the industrial sector.

The highest amortization cost due to the obsolescence of productive equipment and the low enterprise income level has further reduced the growth in income in the most highly developed industrial regions. The Basque region, and to a lesser extent Cantabria and Asturias, emerge as the net losers in this situation. The deterioration in the income of the people in the Basque region is a result of the convergence of the industrial and construction crisis and the limited expansion of services in relation to the Spanish average.

Galicia, Aragon, Rioja and Castile-Leon are the regions which have been least affected by the economic crisis in terms of internal income per person. The people of the Basque region, the Balearic Islands and Navarre were those who suffered most. The situation of the Balearic Islands is atypical, being due to the fact that 1979 was a poor tourist year.

During the crisis years, the relative differences in per capita income tended to decline. Even the process of population and production concentration which could be detected previously has slowed. The difference in available family income per person has been further offset by the positive effects of the transfers of income through the public administrations and social security, as well as the different effects of fiscal pressure. The people of Madrid and the Basque territory have borne the heaviest fiscal burden on Spanish families.

Some of these results which are assessed positively on the regional level may also explain the reasons for deterioration on the national level.

### The Specter of Unemployment

The authors of the report point to the increase in unemployment as the most typical phenomenon of the economic crisis years. The level of unemployment reported in 1973 came to a total of 361,800 persons, representing 2.7 percent of the active population. The total by 1979 was already 1,270,000 persons, representing 9.5 percent of the active population. The highest unemployment rates in 1979 were found in Extremadura, Andalusia, the Canary Islands, Madrid and the Basque region, all of them regions with rates in excess of 10 percent of the active population. Navarre, Murcia, Catalonia, La Mancha and Valencia had rates in excess of 8 percent. Only Rioja, Galicia and Cantabria, regions among those least affected by the economic crisis, had rates below 6 percent.

This crisis mainly affected the decline in the employment level in industry and construction. Concretely, there was a loss of 10.7 percent of the jobs in the construction sector and 8.3 percent of those in industry between 1973 and 1979. Despite this phenomenon, the process of reduced employment in the primary activities continues. They lost 21.5 percent of the jobs reported in 1973 in the 6-year period under consideration. Only in the service sector was there an increase in the number of jobs, reported as 10.9 percent.

Another important development which had an effect on the productive structure and the rate of sectorial growth in particular was the different development of the prices with added value included in each sector.

The great loser was without a doubt industry. While the real production of the industrial sector increased 18.9 percent in the period between 1973 and 1979—a rate slightly exceeded only by tertiary activity (23.8 percent), the increase in the industrial product at current prices was only 188.8 percent, as compared to the 283.8 percent reached in the service sector. This development explains the great convulsion caused by the development of relative prices, which has been added to the very acute crisis situation in industry and the need for its reconversion.

The real increase in the various Spanish regions between 1973 and 1979 reveals sharp differences. The average increase in the gross domestic product came to a cumulative annual percentage of 2.7. The regions exceeding this rate were Galicia (4.5 percent), Rioja (4.3), Madrid (3.7), Aragon (2.9) and the Canary Islands. The regions below that rate were the Balearic Islands (0.1 percent), the Basque region (0.4), Asturias (1.5), Extremadura (1.8), Castile-La Mancha (2), Cantabria (2), Andalusia (2.6), Navarre (2.7) and Catalonia (2.7).

The increase in per capita income between 1973 and 1979 was 1.4 percent at constant prices. The regions with higher figures were Galicia (3.3 percent), Aragon (2.3), Rioja (2.2), Castile-Leon (2.1), Asturias (2), Castile-La Mancha (1.7), Murcia (1.7), Cantabria (1.7), Extremadura (1.5), Valencia (1.4) and Andalusia (1.4). The regions with an increase in income per person below the

average were Navarre (0.6 percent), Catalonia (1), the Canary Islands (1.2) and Madrid (1.3). The Balearic Islands (-0.1 percent) and the Basque region (-2.2) showed a decline in income per person.

#### The Rich Become Less Rich and the Poor Less Poor

	Percentage of Total Domestic Income	
	1977	1979
The five provinces with the highest per capita income in 1977 (Madrid, Alava, Barcelona, Biscay and Guipuzcoa)	40.54	39.57
The ten provinces with the highest per capita income in 1977 (the above five plus Gerona, the Balearic Islands, Tarragona, Navarre and Zaragoza)	49.43	48.60
The five provinces with the lowest per capita income in 1977 (Jaen, Badajoz, Orense, Granada and Caceres)	4.62	4.76
The ten provinces with the lowest per capita income in 1977 (the above five plus Lugo, Cordoba, Albacete, Avila and Zamora)	8.01	8.26
Remaining provinces	45.56	43.14

#### Variations in Per Capita Income Ranking for the 10 Provinces with the Greatest Increase.

	Position in 1977	Position in 1979	Percentage of Increase in 1978-1979		
			Pro-duction per Job	Per Capita Income	Per Capita Family Income
Cordoba	44	37	49.9	64.5	55.3
Lugo	45	44	66.9	59.0	62.1
Jaen	50	48	43.4	58.7	61.1
Alicante	21	17	51.4	55.1	56.6
Albacete	43	41	71.3	54.2	56.2
Santa Cruz de Tenerife	32	28	56.4	52.5	51.7
Las Palmas	27	23	48.7	52.2	52.1
Granada	47	47	60.8	52.1	53.0
La Rioja	11	8	52.4	51.2	51.1
Orense	48	49	59.6	51.1	51.2

Variations in the Per Capita Income Ranking for the 10 Provinces with the Smallest Increase

	Position in 1977	Position in 1979	Percentage of Increase in 1978-1979		
			Pro- duction per Job	Per Capita Income	Per Capita Family Income
Biscay	4	9	26.9	23.1	22.3
Guipuzcoa	6	5	31.1	27.8	26.1
Soria	23	30	37.4	31.4	30.5
Alava	4	2	39.2	31.8	28.3
Huelva	39	43	27.9	34.2	36.9
Palencia	20	22	38.9	36.9	36.1
Cuenca	30	36	35.4	37.3	40.0
Burgos	19	21	46.6	38.3	35.4
Cadiz	35	40	45.7	39.3	41.1
Teruel	25	27	37.9	39.6	42.1

The Economic Map

Province	Per Capita Income	Rank for Total Production	Rank for Per Capita Family Income
Madrid	436,645	1	4
Barcelona	412,935	2	3
Gerona	405,204	17	1
Alava	384,438	34	9
Balearic Islands	381,944	10	2
Guipuzcoa	355,293	12	14
Zaragoza	346,242	9	10
La Rioja	344,415	39	7
Biscay	344,041	4	20
Tarragona	342,072	19	5
Navarre	335,973	20	13
Valencia	331,430	3	11
Huesca	331,279	41	6
Lerida	329,166	28	8
Santander	327,821	21	18
Valladolid	315,119	23	16
Alicante	314,301	7	12
Castellon	308,191	26	15
Oviedo	302,452	6	17
Guadalajara	296,383	46	21
Burgos	291,926	33	24
Palencia	283,892	43	19

Province	Per Capita Income	Rank for Total Production	Rank for Per Capita Family Income
Palmas (Las)	277,729	16	26
Pontevedra	274,229	14	22
Coruna (La)	270,897	8	23
Segovia	267,362	48	25
Teruel	261,225	47	27
Santa Cruz de Tenerife	257,436	18	34
Murcia	253,059	11	29
Soria	252,345	50	36
Leon	249,967	25	28
Seville	247,895	5	35
Malaga	244,550	13	32
Salamanca	240,628	35	38
Toledo	239,024	30	33
Cuenca	237,234	44	41
Cordoba	231,981	22	45
Almeria	230,626	36	30
Ciudad Real	229,935	32	41
Cadiz	229,892	15	44
Albacete	225,551	42	42
Avila	221,502	49	39
Huelva	217,844	31	46
Lugo	212,349	37	37
Zamora	210,675	45	43
Caceres	194,390	24	49
Granada	193,390	24	49
Jaen	192,847	27	48
Orense	190,883	40	40
Badajoz	182,906	29	50
AVERAGE	215,253	--	--

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## IBERICA MOTORS PRESIDENT DISCUSSES JAPANESE PENETRATION

Madrid ACTUALIDAD ECONOMICA in Spanish 13 May 82 pp 32-37

[Interview with Juan Echevarria, president of Iberica Motors, by Pilar Cambra; date and place not given]

[Text] In 1953 he was, by his own definition, a deviationist within the SEU [Spanish University Union] and director of the San Jorge Higher Secondary School, where, exercising the healthy but dangerous right to challenge from within, he allowed "The Battleship Potemkin" to be shown, to the accompaniment of establishment threats and scandal. In that era, Juan Echevarria Puig, a Catalan from Barcelona and "culturally Castilian," was corresponding regularly with Dionisio Ridruejo. For 6 months in 1976 he was director general of the postal service, at the request of Manuel Fraga, then minister of interior, who wanted "to put a private businessman in charge of a complex public body. I left my post," Echevarria says, "because the appointment of Adolfo Suarez to office seemed to me a symptom of an intolerable swing toward the right." And in the first democratic elections held to form the present Catalan parliament, Echevarria yielded to political temptation for the third time and ran as an independent candidate. "I won 60,000 votes in a 33-day campaign, but these were not enough."

Juan Echevarria has what is defined in a best seller by Harold Robbins as "a fascinating personality." His speech is precise, his knowledge vast. He is 55 years old and has five children. But if we examine the nature of his fascination, his special talent lies basically in his lack of dogmatism. And it is not for any lack of categorical and even frankly astonishing statements--"I am not a specialist in anything," "We will never join the Common Market," "Spain as a country remains to be formulated"--but because of the special care he takes not to deliver these statements to his interlocutor by the intravenous mental route.

Echevarria speaks, describes, confirms or denies, but he always leaves the door open with room for a reply or for references. And in this country of "You don't realize to whom you are speaking," permanently loaded dialectical catapults and backbiting in the realm of dialog, this quality seems highly attractive.

Juan Echevarria, perhaps without knowing it, exerts that capacity in this verbal tense which Saint-Exupery ascribed to one of the characters in "The Little

Prince:" the ability to tame, to capture. And this characteristic must be hereditary, because in the history of the negotiations between Iberica Motors and Nissan there is an amusing chapter involving an 8-year-old boy, one of Juan Echevarria's children, who persuaded one of the high executives in the Japanese firm to demonstrate his skill at extracting burning matches from his mouth.

The rise of Iberica Motors, one of the few Spanish automotive businesses which has succeeded in rising above the savage crisis, also has its magnetism. At least as Juan Echevarria tells it.

#### From the Impassive Canadians to the Japanese Miracle

"The genesis of Iberica Motors was evolutionary, and was not brought about by a single stroke. It originated in Cadiz in 1920, and later, always in search of free ports, it was moved to Barcelona, and until 1936 it was known as The Ford Motor Iberica Company. During the Civil War, it led a sluggish existence, engaged in the production of military equipment, and in 1954 it became wholly Spanish. Ford left the picture, and the name of the company took a rather typically Biscayan form--Iberica, instead of Iberico, Motors, which would have been the grammatically correct form. Until 1966 it continued to utilize Ford licenses. In that year, the firm affiliated with Massey Ferguson, which had a number of enterprises in Spain--Agricultural Motorization and Perkins. Iberica Motors, in turn, had also purchased some industrial plants. It was then, in my opinion, that the real history of the business began. From 1961 to 1971 it was headed by men whom I would define as cautious, calm and domestically oriented. In this last-mentioned year, a younger team with a greater taste for risk took over the company. However, during these 5 years, the policy of acquisition was pursued, adding the FADISA, the Alfa Romeo factory in Avila; the INI [National Institute of Industry] Industrial Aeronautics, which produced the Avia trucks, autogyros and airport beacons, and repaired the famous T-6s used in the Korean War. Also in those years, British Leyland left Spain a legacy that we had to share, without benefit of inventory, with the SEAT [Spanish Passenger Car Company, Inc.]. Iberica Motors was left with the Santander foundry and mechanization plants. This whole chain of purchases led to the present situation: a payroll of 10,000 individuals. Personally, this figure does not frighten me, because I do not share the view that an excess of employees was a partial cause of the crisis.

"On 14 January 1980, Massey Ferguson sold its 35-percent share in Iberica Motors to the Nissan Motor Company. From the beginning, I was an advocate of this merger. The Japanese did not want majority control of the company, but our own need for resources has led to their 54 percent holdings. In fact, this came about because the Spanish partners were not receptive to the successive capital expansions, and failed to exercise their rights of preference. On 15 March 1982, as a result, Nissan became the majority stockholder in Iberica Motors, with holdings totaling 54.66 percent, and the expectation that this figure would not increase."

#### The Executive Who Ate Matches

Thus for the first time, and without the occurrence of any hail of fire, biblical plague of locusts or frightening tidal waves, a Spanish enterprise



underwent what the timid, with a quaver of fear in their voices, call the "Japanese invasion." Iberica Motors has had the pleasure of joining the ranks of the European countries who have already had the experience of giving the ritual nod to the Nipponese partner.

"In one way we are indeed pioneers, although our contract coincided with the arrival of Yamaha. In any case, the Nissan investment is the largest in an industry which we might say is in the 'showcase' class, because it is known to everyone."

Juan Echevarria can also provide direct knowledge of this world and these people whom the majority of the faithful and sovereign citizens only know from the trinkets covered with lotus blossoms and almond flowers purchased at the "Far East sale" of the large warehouses, or from the integrated circuits of a digital watch made in Japan. Echevarria has almost daily dealings with Japan, and it would seem that he is enchanted to have made its acquaintance.

"My first contact came about in August of 1979, when the negotiations began, and to this day I have experienced no deception or invasion. First three or four high executives came and now we are receiving technicians who are aiding us in launching the production of the products they have licensed us to make. I can work magnificently well with the Japanese, much better than with the Canadians, Americans and British who were our partners in other eras. The Anglo-Saxons always give an impression of coming to a land they have conquered, while on the other hand the Japanese always show respect for their interlocutors. They are, first of all, an old and refined people who could quite justly regard Europeans as rough Western cowboys. On the other hand, they know that they need to win forgiveness for their triumphs, and therefore they act with exquisite delicacy and caution.

"I might tell you an anecdote. They have forbidden me to drive so as to avoid extra risks. Indeed, this is the only way in which I feel that I am watched: they observe whether or not I have a driver in the car. Another thing which surprised me was their eagerness to know about our family life, and in this connection I once said that my 8-year-old son was one of the great authors of the agreement between Iberica Motors and Nissan, because he had the Japanese in his pocket before I did. He even got an executive vice president to extract lighted matches from his mouth."

#### The "Chrysanthemum Style"

Perhaps only Ferdinand VII enjoyed such advantages. This business has become a Spanish-Japanese complex in which one can see in vivo the now legendary Nipponese labor methods in which many students have sunk their teeth (and not a few have lost them in the process) and their research money.

Echevarria says: "I do not believe that it is such a problem to adapt to the Japanese management techniques. For me, specifically, it has been easy, but I must recognize that I am an atypical director, a specialist in nothing--neither finances nor engineering--who, like the Japanese, urgently needs to work in a

team, which is something very different from working "with a chorus." On the other hand, I have learned from our present partners to approach agreements with a certain ceremony, never suddenly or violently.

"As to dealing with personnel, their methods can be illustrated by this story. Some time ago I asked the president of Nippon Steel, who is now the president of the Japanese Association of Chambers of Commerce, how he had managed to convert his class and even communist trade unionism into a system, the present one, in which conflicts are formalities and the 'hardest negotiations' become peaceful meetings. His answer was this: 'It is because we proved the trade-union extremists wrong.' What is certain is that the Japanese have freed themselves from this Western obsession with settling everything by dismissing personnel. In Japan no one is dismissed except for crimes specified in the penal code. Companies do not abandon their employees except when they cease to be enterprises as such, and even in this case, they seek to protect their personnel with the same care they devote to their capital or their installations. I would like very much to apply these same ideas and practices to Iberica Motors."

#### Each Strategy Has Its Own Impetus

As far as we know, however, the Japanese equipment still does not include any magic wands or philosophers' stones. Thus it is not a question of turning to magic to revitalize an enterprise, Iberica Motors, which has finished its last two fiscal years with a loss (although these losses, it must after all be admitted, are but a drop in the bucket compared to the ocean of sums lost by the state vehicle enterprises). And in fact, lead will not be transformed into gold at the wave of a wand, but by means of much more modern and reliable systems: the industrial, commercial and financial strategies.

"At the last general meeting on 23 April, I had to announce severe losses--the highest in the history of the company--and the fact that we will not distribute profits in the next 2 or 3 years. However both Nissan and Iberica Motors are businesses with a desire to share dividends. We will begin by drafting a products strategy based on continuing the Nissan production, with adaptations. First of all, we will launch a 'all-terrain' vehicle, which I believe I can say will, because of its price-quality-service ratio, be the best in the world. We will also put out a small van. At the same time, we will renovate our commercial strategy, because Iberica Motors must become a profitable affiliate of a multinational company. Nissan will be one of the five or six international companies which will survive in the automotive field, making use of its very interesting distribution network in Europe. In Spain we will produce the products which are now being imported from Japan. And, naturally, we will not abandon our farm machinery line, because as a Portuguese businessman said, I believe we have the best range of tractors produced in Spain. In fact, they account for between 15 and 20 percent of our invoicing, and allow us to engage in major export operations, such as the agreement signed with the Syrian government for the production of our tractors in Aleppo. There we are selling some 4,000 tractors per year. Speaking on an almost philosophical plane, it is also more agreeable to produce farm machinery than transport vehicles. I don't

know... It seems you are doing more for the world. In addition, although I believe that Spain will never join the Common Market, we have substantial opportunities in the agricultural sector and they must be utilized. In any case, we want to maintain this sixth or seventh rank we have in the list of world tractor manufacturers."

#### The Financial Problem

Little by little, Juan Echevarria revealed the characteristics of what might come to be the archetype--if such exists--of a "all-terrain businessman," with faint but perceptible traces of optimism which is not suicidal, realism which is not melancholy, and dissection of the cure-all economic theme. Via the strategic route, we have arrived at this not infrequently painful stopping place: financing. In this case, that of Iberica Motors, there are fresh resources, and therefore, little discord.

"I must say that the banks, notably foreign sources and particularly those in Japan, have proven very generous with the ratios between our own resources and the foreign ones of Iberica Motors. And I am realistic in thinking that the presence of Nissan has contributed decisively to the 'miracle.' We have been offered credit notable above all for the time periods. We for our part have undertaken an expansion of capital and are preparing to issue bonds at the beginning of the summer. And there will be another capital expansion at the beginning of 1983. Our advisory teams are, moreover, putting the final touches on extraordinarily imaginative financial operations which are already being pursued elsewhere in the world but not in Spain, where until a short time ago, only bills of exchange appeared to exist.

"I must stress, however, that the presence of Nissan has been calming, financially speaking. In this connection, Japan is an astonishing country: its official bodies--the legendary MIT, the Ministry of International Trade and Industry, and its bank seem to operate to the beat of the drum. When a Japanese businessman makes his decision to invest, the whole country is there to support him. Thanks to this we have been able to plan investments of some 15 billion pesetas, of which we will have spent 6 billion by the month of August. This sum will be used for the production of the Patrol and the Vanette, the two vehicle models of which I spoke previously."

#### Brother Enterprises

Juan Echevarria speaks with evident respect of the "separate brothers," the public enterprises--in this specific case ENASA--engaged in the same business. There is in his views a kind of noncompassionate understanding. In the final analysis, they are all waging the same war, some, indeed, as armored divisions and others as not very light infantry. Echevarria thinks, for example, that despite the promises from opposing factions not to nationalize, that the number of Spanish public enterprises will increase in the near future.

"Specifically, ENASA wins my admiration because its technological development has been very substantial, and at certain times it has been the prototype of the Spanish automotive enterprise, the heir to the legendary Hispano-Suiza. Its products are definitely good, but ENASA, like all of us, functions on the basis of a sizeable economy. Spain, as a market, is small. I believe, moreover, that the public enterprises, paradoxically, have been ill-protected by the state. It has only come to the rescue when the water was up to their necks, and the aid provided was scandalous and ill timed. Finally, ENASA had very bad luck when it came to choosing a partner. However, this enterprise, like many others, can survive if it can achieve the proper dimensions."

On this point, Echevarria took up again one of his favorite themes--whether or not to sacrifice personnel because of the crisis. In his view, this means a useless and unfair choice of a victim. And he proposes a solution which might surprise any of our friends.

"All the enterprises should retain a certain quota of excess personnel, something like their own personal and untransferable unemployed. To a certain extent, this thing called concealed unemployment seems to me a necessity we should allow in a situation such as the present one. When all is said and done, how is it better for the enterprises to pay increasingly high contributions to subsidize unemployment compensation, as compared with maintaining a certain number of employees who are apparently surplus, but who always have something to contribute?"

#### On His Own Responsibility

Juan Echevarria has had to close a number of personal accounts since those warrior years in the 50s when, as director of the San Jorge Higher Secondary School of the University of Barcelona, he planned the reading of highly "impertinent" theatrical works--such as those of Anouilh, to go no further--and received messages from the representative of the Ministry of Information and Tourism such as "You are doing this on your own responsibility." Obviously, Echevarria responded: "I am doing this and everything in my life on my own responsibility."

And despite the proximity in time, businessmen are not traversing the same political rivers now as they did when the elections for the Catalan parliament were being held.

"A number of persons persuaded me of the rightness in these cases, that I was correct in running as a candidate. I had the bitter experience of seeing all of these so-called friends disappear, but I forged ahead and won 60,000 votes, which without vanity I can define as high quality votes obtained from a civilized right wing. This stage, moreover, allowed me to establish friendships with men I admire such as Jordi Pujol and Heribert Barrera, just as previously, and until his death, I was a friend of Josep Pallach."

The present waters in which the business and political figures are swimming are at least muddy and in some cases turbulent.

"I see nothing objectionable," Juan Echevarria says, "when a businessman decides at a given moment to be active in politics, but I do not support the political belligerence of businessmen as a group. I do however believe that businessmen should make it very clear to the voters--and in particular to the business class itself--what the suitable framework for the development of their activity is. This is nothing other than the market economy. It is logical, therefore, that businessmen should not beam with delight at the political parties which seek to destroy this framework. To a certain extent this is the logical although risky response to the political action of the trade unions, which have also gone beyond their role as mere defenders of the workers' interests. The best thing, however, would be if the owners and the trade unions could act freely under any type of government."

### Spain As a Country

Lost in the record of this dialogue is that categorical statement by Juan Echevarria to the effect that "Spain will never join the Common Market." And probably because of the future tense, this statement will pop up again now, just as nature awakens from its winter lethargy in spring.

"What advantages would the Common Market enjoy if Spain were to join? We have a market of 36 million consumers, and what would it have to offer in exchange? It could open its doors to our manpower and our farm products, and these are two very bitter pills to swallow given the current situation in Europe. Therefore, the EEC, which has gained access and will continue to have access to Spain with its products, wins no points if we join and may lose some. In brief, we are not of interest to it, despite being the people which perhaps most believes or wants to believe in democracy for all Europeans. What options remain for us? I do not believe that hating America can be this "third path" of which some talk. The option which remains for Spain is the creation of a certain number of its own multinational enterprises in certain sectors such as sparkling wines, brandies, shoes, textiles, farm products, intermediary technology, fashions and gift items. The administration should encourage the development of these potential multinational companies, because it is very sad for a business to become aware that what is great in its own country is insignificant elsewhere in the world."

A certain myth of hardness has been woven about Juan Echevarria, as if he were one of these Roman busts where beneath the marble there is only more marble. But to show how apocryphal this myth is, it suffices to bring forth the last, worrisome and complex statement made by Juan Echevarria to provoke a complex of doubts and hopes. Written on the wall of the Pension Latina in Berlin, which was filled with "Spaniards who did not know German"--he himself tells the tale--was this: "To Spain, which perhaps does not exist physically, but which exists metaphysically, like the great mathematical truths before they have been formulated." "It is my conviction," Juan Echevarria concluded, "that Spain has not yet been formulated." This is a statement which would probably be endorsed by that Dionisio Ridruejo with whom Echevarria exchanged letters in the days in which Spain was not only unformulated, but without spirit.

5157

CSO: 3110/148

## EXPERIMENTAL MARINE OIL DRILLING TECHNOLOGY DESCRIBED

Madrid ACTUALIDAD ECONOMICA in Spanish 20 May 82 p 85

[Article by Eduardo Ferreira: "Spanish Deep-Water Technology"]

[Text] While the major oil producers of the world are investing enormous resources in the search for a way to exploit the oil found in very deep waters, a group of Spanish researchers has developed a system for drilling and producing from deposits which may revolutionize the industry.

The Astano Marine Engineering Department headed by Jose Marco Fayren has been working since 1977 on a project to develop a viable way of exploiting submarine oil deposits located at depths in excess of 300 meters, where the installation of conventional fixed platforms located on the floor of the sea is not possible. The project has been successfully concluded, and a group of experts from the Norwegian Det Norske Veritas company, which has been entrusted with the certification of its viability and technical excellence, is currently in Spain.

## Mastering the Ocean Floor

When asked how such a complex project could have emerged from the research work of a small group of Spanish naval engineers, Jose Marco smiles in the manner of one who has often encountered disbelief and skepticism. "Not only the Spaniards, but also innumerable foreign experts who have learned of the project, have expressed surprise that our 'underdeveloped' Spanish research proved capable of successfully carrying out an undertaking of this kind. But there is nothing extraordinary about it. We are a group of concerned men who reached the conclusion that it was very difficult to make technological advances in naval construction, because the technology is very antiquated and firmly embedded. Then we focused our attention on the ocean floor, an absolutely unknown field.

"While I was talking one day with the president of Hispanoil," Marco went on, "he said to me that there might be important oil deposits at a depth of 1,000 meters between the peninsula and the Balearic Islands. Reflecting that probably half of all the oil existing in the world is located on the ocean floor, and that the only available technology allowed extraction of that at a depth of less than 300 meters, while the average depth of our oceans is 4,000 meters, and marine engineering is my specialty, I decided to do research on this subject. Then I had to find the support and the money, which I obtained from Astano, the Naval Engineering College, and later the CDTI."



## Worldwide Hopes

Although the research group is very small--currently it includes the director and two other naval engineers, Ignacio Diez de Ulzurrun and Arturo Diaz del Rio, the leading world experts in each specialty have worked with it, giving the project notable credibility on the international level.

The system is ready for marketing and is now experiencing the classic vicissitudes of Spanish undertakings. While Spanish companies reject the project, tremendous hopes have been raised in the rest of the world. North American oil companies, the engineering department of Lockheed and the U. S. Bureau of Mines itself have expressed interest in the Spanish project.

Jose Marco is optimistic about its practical application. "This is something revolutionary, and naturally it will not be introduced overnight, bearing in mind that a period of 5 years elapses between the discovery of a deposit and its exploitation. But in the medium time range it will be utilized. The extension of the present 300 meter limit to 2,000 will allow a substantial increase in the possibility of undertaking the exploitation of new marine deposits which can contribute to alleviating the energy deficit."

## A Vanguard Project

The Alga system involves a complex of pipes which rise from the ocean floor to about 200 meters beneath the water's surface. In order to keep this tremendous tower stable, it is secured firmly to the ocean floor, while at its upper end, a huge buoy pulls the pipes upward, keeping them straight. The wellhead controls are located on the upper part of this submarine tower, protected from the disturbing action of the waves, but accessible to divers for the purposes of inspection and maintenance.

From the functional point of view, it is as if the great marine depths had been raised to a reasonable level at which the problems of drilling and production have currently been resolved. The advantages offered by this system involve elimination of the actions of the environmental forces (waves, winds, etc.).

The Alga system is connected to a floating production platform which contains the equipment for processing the crude oil. For this purpose, Astano has designed a special platform called Astanoil. When the nature of the deposit so dictates, the Astanoil plant can be replaced by a semisubmersible platform, or even a specially adapted barge attached by the prow to a buoy.

These floating installations are linked with the Alga submarine tower by means of a flexible link which absorbs the movements of the floating installation, allowing the system to function constantly, without need to interrupt production even during the most severe storms. Maintenance work on the wells can be undertaken from the floating installation. The oil produced can be loaded onto transport vessels or transported to shore by conventional means.

5157

CSO: 3110/148

## KETENCI ASSAYS LIMITATIONS ON RIGHT TO STRIKE

Istanbul CUMHURİYET in Turkish 15 Apr 82 p 6

[Text] In the textbooks of our Labor Law professors, among whom we count our honorable Minister of Labor, Professor Turhan Esener, the following major arguments are stated in reference to the right of the worker to "strike," a right which is defined as a "social and fundamental right:" "In the event that working conditions do not become a subject of free bargaining between the employer and the employee and no agreement is reached in the bargaining, the collective walk-out on the part of the workers, in other words, their resort to a strike, should be realized as a fundamental principle in the democratic legal system without the intervention of public authority. Public authority should remain objective in the face of strike thus protecting the autonomy of the social parties in the formation of social decisions."

"It is impossible that no damages be incurred at the work site in the case of a strike. If at the end of the strike, the employer suffers no anxieties about damages to himself, then, the strike is rendered worthless as a weapon for the workers to ensure their social and economic growth. Labor unions should be able to create risks for the employer by means of strikes so that they may be able to gain equal bargaining power."

"Within the framework of the notion of a social state, public authority has close ties with social decisions. Furthermore, its responsibility is an issue of concern. However, in the formation of these decisions, the power of the state has been restricted and it has been requested that the state remain objective. The interference of public authority with the right to strike should not come in conflict with the idea of a social state and, in particular, the gist of the strike, which is a social right, should not be tampered with."

If we consider the bill related to this issue which has been placed on the Council agenda, in the light of these principles conveyed to the students through the textbooks, and if the text of the bill which appeared in the newspapers is accurate--our hearts would have preferred it not to be--then we cannot conceive of an authority who can claim that the essence of the right to strike has not been tampered with.



As if the many-sided restrictions imposed on the right to strike in the law which has been in effect for 17 years were not enough...As if we did not have countless examples in the past of political powers, of the executive branch unlawfully exercising their right to interfere with the strike and to postpone it...As if the intervening actions of the judiciary which tampered with the essence of the right to strike had not been witnessed...Several new many-sided restrictions on the right to strike are proposed; it is commended that strike bans be expanded for purposes of "protecting public welfare, not shattering national security and protecting public health."

We started this article with the learned definitions of the right to strike by our scholars. Let us close it with their scientific concerns while reserving the anxieties of the workers and the labor unions. Let us quote a few sentences expressing the opinions of our scholars which appeared in articles and were discussed at professional meetings, opinions concerning new restriction proposals which had come from the employers' organizations before the emergence of the bill in question:

"The relation of the increase in restrictions on the right to strike brought about by laws to the essence of the right to strike as a fundamental right merits discussion in its own right. Which strikes pose a threat to public order or public welfare or national security? It is not probable to define these with certainty or to draw their dimensions. If these concepts are interpreted within a large framework, and if other situations of concern to the national economy are integrated into the dimensions of these concepts as is the case in areas such as tourism and banking, then it is possible to say that all strikes because of their results disrupt public order or public welfare or threaten national security. And if this be the case, then the right to ban almost every strike will arise, an act which will hurt the core of strike which is a basic right."

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CSO: 4654/298

## TURKEY TRIES BARTER SYSTEM IN MIDDLE EAST TRADE

Istanbul DUNYA in Turkish 22 Apr 82 p 1

[Text] The difficulties that have been caused in petroleum producing countries by the decline in the global demand for petroleum are well known. The creation of a balance between petroleum supply and demand constitutes a primary agenda item for petroleum producing countries. It is evident that a lowering of export prices for petroleum has been espoused as a temporary solution.

The petroleum producing countries of the Middle East and North Africa are the markets through which Turkey is hoping to increase its exports. The relationship between Western nations and Turkish export products is characterized by low demand elasticity. There is no hope of keeping up with the increase.

Moreover, Turkey has become a force to be reckoned with in the realization of the construction projects within the large scale investment programs of Middle Eastern and North African countries. In view of this, Turkey is also closely concerned by payment difficulties that stem from clogged petroleum revenues.

In fact, the Ankara meeting of the Turkish - Libyan Joint Economic Commission is intended as an attempt to resolve the first example of the problem which has already become evident.

Libya is among the first of the producing nations that are the most influenced by the decline in the demand for petroleum. Its petroleum revenues have been significantly reduced. In spite of this, large scale support for radical Arab movements is being continued and an effort is being made to sustain the ambitious investment program. In addition, necessities in the categories of food and clothing have to be obtained through imports. Within this environment, payment difficulties become inevitable.

Turkey has a non-negligible share in Libya's investment program as well as in meeting Libya's needs for food and clothing. Of the nearly 10 billion dollars worth of foreign commitments received by Turkish construction contractors, 7.7 billion dollars (80 percent) have been obtained from Libya. In addition, after Iraq, Libya holds the second largest share of Turkey's exports to Middle Eastern countries. Given these circumstances, Libya's payment difficulties are relevant not only in terms of their current outlook, but also in terms of the future.

Payments to Turkish construction contractors working in Libya as well as Turkish exporters selling goods to this country have not been regularly made for some time. The figures concerning the accumulated debt range from 100 million to 300 million dollars. No solution other than converting the debt into petroleum can be envisaged.

As long as no other issues interpose themselves between Turkey and Libya, the problem should be easily resolved. Both sides have had experience in dealing with the matter.

It will be remembered that between 1977 and 1979 Turkey was not able to pay for the petroleum crude that it was buying from Libya. Arrangements were made for the accumulated debt to be paid through exports to that country. The resolution of the current problem would in essence consist of reversing the terms of the previous agreement.

In fact, it seems inevitable that starting with Libya, Turkey will move towards the barter of goods and services with the petroleum producing nations of the Middle East. This would not only help to ensure the permanence of Middle Eastern markets but would at the same time provide the meeting of Turkey's petroleum needs in the long term. It should not be thought that the current abundance of petroleum will last for a long time.

Pressures that could come from the IMF and GATT are obstacles that will have to be surmounted in this context. While it has been declared virtually "illegitimate" by the IMF and GATT, barter has become one of the most significant realities of today's commerce.

World commerce which had freely expanded until 1973, has entered a period of recession with the slow down in world production and a decline in the rate of growth.

The closing of markets has accompanied protectionist measures.

From today's vantage point, it is being calculated that approximately one fourth of world commerce is subject to barter. In this environment, it is clear that the desire of Socialist countries to abandon barter in favor of hard foreign currency will not be valid for countries of the Middle East. When petroleum is used as a means of payment, the significance of barter will be no different than that of hard foreign currency as far as Turkey is concerned.

9491

CSO: 4654/309

## TURK-IS BLASTS YHK, ADDRESSES UNEMPLOYMENT

Istanbul MILLIYET in Turkish 23 Apr 82 p 9

[Text] As the Steering Board of the Turkish Federation of Labor Unions met yesterday in Ankara for the last time before the convention, Chairman General Ibrahim Denizcier participated in a meeting of the General Assembly of the Marmara and Thrace Central Branch of the Turkish Tobacco, Distillery, Food and Allied Workers' Union. Denizcier who is the leader of the union spoke at the meeting which took place in Istanbul and criticized the Supreme Juridicial Council. He said: "In addition to being inadequate, the work of the Council is unable to maintain its impartiality." Denizcier claimed that the Council had "fallen under the influence of Deputy Prime Minister Turgut Ozal."

In referring to the report presented to the National Security Council by the Confederation of Employers' Unions Denizcier said: "We can not make the smallest concession from workers' rights. The employers are cutting the branch on which they are sitting." Denizcier said:

"Unable to maintain its impartiality, the Supreme Juridicial Council does not take into consideration the high cost of living. While workers' wages remain at the same level, prices are rising and consequently purchasing power is weakening. The economy will not improve through the accumulation of money at the Central Bank. The opening of new fields of work will be required for improvement in the economy. Another topic is the issue of the minimum wage. As the Turkish Federation of Labor Unions we have made our wishes known to the Council of Ministers. We are hoping that in the days to come a solution will be found in the case of the minimum wage issue. The Turkish Confederation of Labor Unions is united and more powerful than in the past. Because we represent those who work we will seek to represent the rights of all of our workers. There can be no right of center or left of center (orientations), but there can only be work for the rights of all workers."

During the meeting of the Turkish Federation of Labor Unions which took place in Ankara and which was chaired by Sevkettin Yilmaz who is one of the organization's deputy chairmen, consideration was given to a draft of the Report of Activities that had earlier been distributed to the members. While the matter of the Steering Board for the Convention of the Turkish Federation of Labor Unions which is to be held on 24 May did appear on the agenda of the meeting, the consideration of this agenda item was postponed because conventions had not yet

een held by the Textile, Garment and Knitting Industry Workers' Union of Turkey; the Turkish Tobacco, Distillery, Food and Allied Workers' Union; the Turkish Journalists; and Press Technicians' Union and the Turkish Federation of Municipal Workers.

The steering board used a lottery system to determine the number of representatives that will be sent from each organization to make up each of the five committees to be formed during the convention. Each committee will consist of seven members.

Later, in connection with work on the Report of Activities; the speaking order for the unions and federations that will address the convention was also determined through the use of a lottery system. Accordingly, the Turkish Health Employees Union will be the first to address the convention while the Turkish Bureau and Clerical Employees Union will be the last. The Turk-Sen Union of Cyprus appears in sixth position on the list of speakers.

Elsewhere, the meeting of the Board of Directors of the Textile, Garment and Knitting Industry Workers' Union of Turkey which is one of the three largest unions within the Turkish Federation of Labor Unions will take place tomorrow in Ankara at the Union's general headquarters.

Meanwhile, the working report that is to be presented to the convention of the Textile, Garment and Knitting Industry Workers Union of Turkey states that "The fire burning in the country prior to 12 September (1980) has been successfully extinguished by the armed forces." The report addresses social and economic topics and in summary, expresses the following viewpoints:

"Various economic and social hardships are being experienced in our country at this moment. In striving to overcome these issues, our government is faced with the prospect of addressing not only the economic but also the social dimensions of phenomena. For example, stabilization policies implemented for the purpose of escaping the economic crisis have led to the decrease of the workers' share of national income and have increased unemployment which is a great social pain. While the question of unemployment concerns society as a whole, it causes much greater damage within our field of work which is predominantly labor intensive. A decision banning the firing of workers which has justifiably been taken by the National Security Council has brought a halt to this aspect of the problem for the time being."

9491

CSO: 4654/309

## BILL ENVISIONS COMPLETE KIT INDEPENDENCE

Istanbul TERCUMAN in Turkish 28 Apr 82 pp 1, 14

[Article by Nursun Alev: "State Support is Withdrawn from SEEs;" material enclosed in slantlines printed in boldface]

[Text] A bill which envisions the State Economic Enterprises being given a new structure and being brought to a state of **/"Complete Independence"/** from the administrative and financial perspectives, has reached its final form.

According to the bill which is on the agenda of the MGK [National Security Council], the **/"Financial Support of the State"/** for the SEEs would be completely withdrawn, and a new mechanism would be introduced which would prevent the establishments from resorting to Central Bank resources. The existing practice whereby **/"the SEEs' losses, arising as a result of selling below cost, are covered by general budget funds"/** would be abandoned, and for the SEEs' investment and finance credits, a principle of applying either to the State Investment Bank or to commercial banks in the domestic and foreign market, under entirely commercial conditions, would be introduced.

SEE Projects Would Not Go to the SPO [State Planning Organization]

For investment projects, which the State Economic Enterprises will determine entirely on their own initiatives, authority to inspect the yearly accounts of the SEEs is given by the bill, which removes the requirement for obtaining the approval of the State Planning Organization, to a **/"General Council"/** formed from among the concerned ministers, the members of the Supreme Control Council, and the concerned undersecretaries, under the chairmanship of the Prime Minister. Thus the previous rule relating to the passing of the SEEs' accounts by the Legislative Assembly would be removed from effect.

## Education Innovations

The SEEs would be opened to competition through **/"Educational Innovations"/**, with the aim of controlling cost increases. Thus, both price increases and deficits would be prevented.

In the bill, which calls **/"for the personnel working in the SEEs to be transferred to private status independent of the Public Officials Code, No.**

657,"/ it is proposed that the establishments' general directors, administrative council chairmen and administrative council members be appointed by the /"General Council"/ under the chairmanship of the Prime Minister, with a guarantee of remaining in the position for three and a half years. The SEE officials would be transferred to a completely independent status as regards the issues of employment and decision-making, and the practice up to now whereby the associated ministries functioned in their /"Guidance"/ would be abolished. The authority of SEE officials to enlist /"Contract/ personnel" is also acknowledged in the bill.

#### State Joint-Stock Companies

The bill envisions providing those SEEs regarding which it has been determined that their basic activity is management and that their production of services and goods could be profitable in the medium or long term with a new status under the designation /"State Joint-Stock Company"/; according to the bill, after the reevaluation of the establishments' properties and their provision with a sound capital foundation, it would be possible to open them to the public by issuing shares and bonds with guaranteed dividends and interest.

According to the bill, which envisions the evaluation of the State joint-stock companies within various groups under the designation /"State Economic Establishments (KIK)"/, thirteen /"KIKs"/ encompassing activities in the fields of energy, communications, textiles, machinery, electronics, synthetic fertilizers, paper-forestry, iron, and mining, would be created, and the State Joint-Stock Companies would operate among these groups. The KIKs would not have the authority to actively interfere with the management of the State Joint-Stock Companies or in other areas, and the KIKs would function as the foundation of each portfolio when these establishments' shares and bonds became the issue of commercial transactions.

#### Some SEEs Would Retain the Former Status

Officials, providing information on this subject, stated that it would be appropriate for some establishments which bear a /"Special Function"/ character and which have not involved "for-profit" activity to be left in their present status, and, noting that the TCDD [Turkish State Railways], PTT [Post, Telephone, and Telegraph Administration], DMO [State Equipment Office Directorate General], and MKE [Machine and Chemical Industry] have been considered in this context, that the transferral of these establishments to a more flexible status over a long period has been targeted.

It is expected that the bill will be submitted for the approval of the National Security Council by the end of May.

9962

CSO: 4654/308



## VALUE ADDED TAX TO JEOPARDIZE LITTLE MAN

Istanbul TERCUMAN in Turkish 24 Apr 82 p 5

[Article by Kemal Isik: "Value Added Tax Will Put Small Taxpayers in a Very Difficult Position"]

[Text] Husamettin Tiyanan, Chairman General of the Turkish Confederation of Artisans and Craftsmen, asserting that the bill of the Value Added Tax Law which is being discussed in the Financial Affairs Committee of the Consultative Assembly, has arrived "at the agenda with a complicated system of records at a time when taxpayers are bewildered in understanding and applying them," said, "the imposition, through this bill, of new responsibilities upon taxpayers unable even to keep their Income Tax records in the required form in an orderly fashion will put small taxpayers in a very difficult position."

Husamettin Tiyanan, expressing his views with regard to the Value Added Tax Law Bill, said, "There is a need to reorganize the principles of exemption and flat rates." Chairman General Tiyanan of the Turkish Confederation of Artisans and Craftsmen expressed his views thus: "The registered members of associations of artisans and small craftsmen are people who depend on their physical labor together with their commercial capital, and are able to make a living with difficulty; they generally have little education, and they could pay an accountant's fee only with difficulty."

For this reason it would not be possible for artisans and craftsmen to make sense of the system of records which is introduced by article 56 of the bill and which is necessitated by the logic of implementing the law. Indeed there are few accountants in our country who could carry out this implementation. The imposition, through this bill, of new responsibilities upon taxpayers unable even to keep their Income Tax records in the required form in an orderly fashion will put small taxpayers in a very difficult position.

The Value Added Tax has come to the agenda with a complicated system of records at a time when major changes have been made particularly in the tax laws, and when the taxpayers have become quite bewildered in understanding and applying them. It is certain that taxpayers will be unable to master them in a short time and will be unable to make sense of responsibilities which the law introduces. Being held liable on account of the errors of

clerks and accountants, they will be cited with the penalties in the Tax Procedure Law."

Tiyansan, observing that what is important for administration is not to penalize, but to secure the fair implementation [of the law], said, "We believe that the addition to the law of a temporary article, so that the penalty would not be applied during the first year the tax is in effect, would be appropriate." Adding that the law should not be put into effect until after the education of the taxpayers, accountants, and tax officials, Tiyansan continued thus:

"The Production Tax, which is rescinded by this bill, has a broad scope and a low rate. This characteristic must be applied at a lower rate for items of essential consumption and a higher rate for goods of luxury consumption, in order to reduce the ten percent rate, which is in effect in our economy, for low income people."

9962

CSO: 4654/308

## RECENT UNUSUAL SHIP PURCHASES REPORTED

Athens AKROPOLIS in Greek 15 May 82 p 10

[Text] Turkey has recently undertaken extensive buying of all types of merchant ships thus surprising the international maritime circles with this unusual activity. More specifically, in the past 2 months Turkish interests have acquired 40 ships from fishing fleets and bulk carriers to special ships and mammoth tankers known in the international market as VLCC.

At the same time, Turkey has in the past few days taken an arbitrary action by changing the regulations controlling navigation through the Bosphorus Straits without first informing the international organizations such as the International Maritime Consultative Organization, representatives of which have expressed their concern for this unilateral action.

## Financing Up to 100%

According to press reports, London is the center of the Turks' ship purchasing activity with a Swiss bank and certain British brokers acting as intermediaries. Tempting finance proposals are made for the purchase of ships (financing up to 100 percent of the ships' value) in order to fly the Turkish flag. It is said that American capital is behind these financings. One of the ships purchased recently by Turkish interests is the former Greek freighter "Kiki Gemelos" which was built in 1967.

## Motives

Maritime circles wonder if political motives are hidden behind this curious activity by Turks who, as is known, not only lack maritime experience but also do not have any important infrastructure. Certain circles claim that this purchasing activity is due to the relaxing of the credit regulations by the Turkish government. But no matter what, the fact remains that as long as they fly the Turkish flag all these newly purchased ships can be mobilized in the event Turkey is involved in a conflict.

It is worth noting that in the used ship international market the Greeks and Chinese have dominated up to this time. Now the sudden appearance of the Turks provides for various interpretations. In any case the issue, according to press reports, occupies the [Greek] government in conjunction, moreover, with the fact that the capacity of Greek shipping is continually dropping both in number of ships and tonnage.

7520

CSO: 4621/366

## NORDIC COUNTRIES REASSESS WELFARE AS BUDGET DEFICITS MOUNT

Oslo AFTENPOSTEN in Norwegian 29 May 82 p 3

[Article by Egil Sundar]

[Text] In Norway and the other Nordic lands, there will be a continuous transformation of the welfare state--not to reduce the benefits for those who primarily need them, but to consolidate a socially secure society in a new economic reality.

"If we are to have a more sensible relationship to our social budgets in the 1980's, we must get rid of the something-for-nothing idea. We must realize that it costs something--and what it costs--to raise social standards and we must take a stand on who is to pay for it." No, it is not Prime Minister Kare Willoch who said that, the man Gro Harlem Brundtland accused of wanting to turn the clock back and do away with the welfare state. Paradoxically, this heretical speech was written by Harlem Brundtland's Danish party colleague, Ritt Bjerregaard, former minister of social affairs and education and now chairman of the Social Democratic group in Folketing.

This is not a question of quotations taken out of context or statements that unfriendly political opponents might have misunderstood or put the worst interpretation on. No, Ritt--as she is popularly called--really believes what she so freely expressed. And her viewpoint has been carefully considered--no doubt about that. But the reactions are not exclusively pleasant.

"We place a burden on social solidarity by paying social benefits to just about anyone," said Ritt Bjerregaard.

And just listen to this: "We cannot keep on paying more and more for a hospital system where well over half the expenses go to postponing death a few weeks or months."

She made the last statement with a fanfare in a speech given in Alborg on 13 May 1980. It set off indignant protests--from the western coast to the Sound--for her cynical attitude toward human beings. Danes were shaken

by the remarks of the then social affairs minister. Not even Mogens Glistrup would have dared say something like that. After all, he does have some fellow feeling for the sick and the elderly.

As we all know, Ritt Bjerregaard caused quite a stir--especially in political circles in her own country--when she paid a sisterly visit last February to Gro Harlem Brundtland, who was then prime minister, and told an expectant audience at the Political Forum of the necessity of revising our social policy ideas. "It is not in the interest of the labor movement," she said, "to give social assistance to everyone."

She is constantly making a stir, this "femme fatale" of politics. And she is not known for being thrifty herself, at least not when she lets the taxpayers foot the bill. Take, for example, the time when as minister of education she stayed at the royal suite of the Ritz Hotel in Paris at the expense of the Danish state, presenting a bill at the end of a 13-day stay that was unprecedented in size for a Danish cabinet minister. (And incidentally, that is saying quite a lot.) The reaction then was of such a nature that Prime Minister Anker Jorgensen had to step in and fire Ritt Bjerregaard. Later on, she was fully reinstated, not just once but several times. She re-entered the cabinet as minister of social affairs and in that capacity in particular she has made a mark as one of the stronger Social Democratic politicians. Time after time, her social policy moves have shocked both the party and the voters, but even so, many of her ideas have been transformed into practical political action.

Since Gro Harlem Brundtland regards the priorities of the Willoch government as an assault on the welfare state, one might think her verdict on her Social Democratic Party colleague in Denmark would be devastating. However, what one can say with complete accuracy about Ritt Bjerregaard, but not about Harlem Brundtland, is that the strong woman in Folketing has enough courage to conduct an impartial discussion of the problems that simply must be solved. She has taken the consequences of the fact that one can no longer continue with the old methods and has found there is no simple connection between increased appropriations and improved benefits. When, as both the Danes and the Norwegians have done, one can increase funds for an area tenfold and still regard this as a cutback, it is quite obvious this is not the right route.

Ritt Bjerregaard maintains that the possibilities for developing social policy in the 1980's lie first and foremost in viewing this as part of the general development of society. And she feels it is both senseless and unjustified to give social payments to people who can pay their own way, and then ask the same people to come up with the money to pay for the benefits plus administrative expenses. That method, she says, will work only as long as receiving social benefits is regarded as a sin and a shame and as long as people would rather expose themselves and their families to direst poverty than ask a social assistance office for help. As we know, that is no longer the way it is and consequently there is no reason to maintain big public spending for the sake of principle and squeeze equally large amounts out of the people.

As social affairs minister, Ritt Bjerregaard implemented a system of income-based social benefits, in other words a form of needs test. Benefits are no longer calculated on the basis of taxable income but on so-called "social income" which is intended to insure a fairer distribution of social benefits. The goal is clear--a social benefit should go to those people who have the greatest economic need. "It must therefore be unacceptable," says Ritt Bjerregaard, "that people have to see others with a higher standard of living getting social benefits they themselves cannot receive. The reason this could happen is that in most cases in the past, it was considered necessary to use taxable income as the basis for an evaluation of whether there was an economic need for assistance."

Ritt Bjerregaard and the Danish Social Democrats for their part make it clear that when the public sector has to save, it is unavoidable that a contribution be made in the area of social benefits. It is so costly that big savings cannot be made simply by turning to other budget items. And Bjerregaard herself has been willing to make deep cuts. In Harlem Brundtland's parlance, this must presumably be viewed as the same as an "indecent, asocial Reagan policy."

Due to the same policy, the Danish Social Democratic government has been criticized for harming the young, the old and the disabled. It is a good argument, Ritt Bjerregaard says ironically, when one wants to protect systems that also benefit the affluent. One simply ignores the fact that there are old people with good incomes and that rich parents have children too.

A unified policy must guarantee that those in the weakest positions are not made even worse off. The Danish Social Democratic government has seen to that. But according to Ritt Bjerregaard, a unified policy also means that ordinary workers' wages should not be used to finance "social" subsidies for people earning considerably more than those who are paying for them. She makes this more concrete by saying that there is no reason why a mailman earning 100,000 Danish kroner should pay subsidies to a professor earning 300,000 just because the professor has expenses due to a handicap.

No matter how controversial she is, Ritt Bjerregaard stands as considerably more progressive and receptive to reform than her brothers and sisters in the Norwegian Labor Party. Ritt has long since taken the consequences of a new social situation the Labor Party does not seem to have discovered yet. The social debate in Norway--as characterized among other things by Gro Harlem Brundtland's vituperative and monomaniacal attacks on the prime minister--is largely marked by incapacity on the part of our biggest opposition party to display basic political self-awareness.

6578

CSO: 3108/112

## DIKO, PRESIDENT REPORTEDLY ATTEMPT TO POLITICIZE STATE

## Claim Asserted

Nicosia TA NEA in Greek 19 May 82 p 1

[Text] The Democratic Party [DIKO] and President of the Republic Kyprianou personally are collaborating in the great operation to politicize the state. Favoritism, the promotion of supporters and the effort to buy out the citizens, especially the young people, is not accidental but is being done professionally and methodically.

A special committee determines the [new] positions, temporary or regular, knows what promotions should be made, passes the information on to the party and DIKO promotes the list of the persons to be appointed or promoted. Since, moreover, there is a great abundance of requests, the DIKO District Committees submit lists of applicants on a priority basis with the concurrence of the district's deputy.

The applicant must be a DIKO member or become one. When he is finally given a position he is asked in return to render his services to the party and naturally to Kyprianou who is a presidential candidate.

These charges go on daily, the interventions reported repeatedly and state employees are using their position to support Kyprianou's candidacy. According to our reports, whatever takes place is under the absolute control of the president himself. This tactic dooms our young people to unemployment and uselessness, particularly when they are too proud to accept the humiliation DIKO and its president offer.

## DIKO Denial

Nicosia KHARAVGI in Greek 20 May 82 p 10

[Text] A DIKO spokesman, referring to yesterday's report TA NEA published about "a special committee which determines the positions in public service for promotion and appointment; about a list of persons to be appointed or promoted"; and also about pressures exerted on applicants for such positions to support President Kyprianou in return, considers the report unethical and unworthy of denial. The report aims at mud-slinging at the expense of DIKO and President Kyprianou.

7520

CSO: 4621/323



## DESTABILIZATION ATTEMPTS CLAIMS PROFFERED, CONFIRMED, COMMENTED

## AKEL, Government Claims

Nicosia KHARAVGI in Greek 20 May 82 p 1

[Excerpt] The Ministry of Interior announced yesterday that it has in its possession reports about plans for inciting instability in the island, besides the reports AKEL supplied and which are under study.

The ministry's announcement denied categorically a report by the O AGON newspaper that ostensibly "a senior officer of the Security Services" stated that "there is no information whatever about instability. With its imaginary report O AGON attempted to minimize the importance and reliability of the AKEL charges that coupist elements are again active for the purpose of creating instability and cancellation of the coming presidential elections."

The full text of yesterday's official announcement is as follows:

"With reference to published reports that a senior officer of the Security Services said that no report whatever exists about instability, the Ministry of Interior announces that no officer of the Security Services has made any statement relevant to this matter. On the contrary, besides the reports AKEL supplied [to the ministry] and which are under study, the ministry possesses certain information to the contrary."

## AKEL Charges

As is known, AKEL Secretary General E. Papaioannou warned last Sunday at the time he recessed AKEL's 15th Congress that new conspiratorial plans are being hatched and he specifically charged the following:

The enraged, orchestrated anti-AKELism and anti-communism, which appeared recently in the Extreme Right as well as in some other political circles who are fully aligned with it, has the smell of imperialism. It forebodes a period before the crime being planned.

Imperialism has not ceased and will not cease to conspire and to plan the dissolution of the independent Cypriot state, the partition of the island and its transformation into its strongest war beachhead in the eastern Mediterranean and the

Middle East. Known coupists have started to threaten again, but they should know that if they try to commit a new crime against Cyprus the people will confront them even with bare hands and will smash them. The state has an inviolable duty to be merciless against any such ambitious coupists who will attempt to complete the monstrous crime and betrayal they committed on 15 July 1974.

On our part we have already informed the government about what the known coupists say. We want to believe that what they say and some of their movements will not be taken lightly. It is better that the state take the necessary measures even if it is proved that such danger does not exist than to find itself unprepared, as was the case in 1974, to confront the coupists. We are sounding a warning. We are not danger-mongering. We are vigilant.

Known coupists spread the rumor, for example, that no presidential elections will take place! We say that the presidential elections will take place and will be conducted with exemplary order and decorum.

### Claims Ridiculed

Nicosia C AGON in Greek 20 May 82 p 1

/Excerpt/ AKEL is danger-mongering when it speaks about a planned destabilization. It attempts to lead the people's attention away from the big issue of the crisis it created together with President Kyprianou in the relations with the Greek government and to turn, as it believes, this attention to fictitious stories and imaginary destabilizations.

The fact does not surprise us, nor does it constitute a reliable proof of the AKEL charges, that that the government announced yesterday that "it possesses information about destabilization (information) which is under study."

It would be ironic if the partner of the 19 percent of the political shares of the Cooperation /AKEL-Kyprianou Cooperation Agreement/ now dared to give the lie to the partner of the 32 percent of the shares! Nothing is more natural than for a partner to approve and support what the other partner says and does. It would be unnatural if one member of the Cooperation gave the lie to the other.

We also consider as natural the confirmation of the AKEL charges by the government of the Minimum Program /drafted by the Kyprianou-AKEL Cooperation Agreement/.

Well, the president, the entire government and the entire Democratic Party refused to renounce the AKEL insults against Greece. How will they dare now contradict their big partner and their only support? It has become a rule the past few years, whenever the government or AKEL face internal problems or a collapse of their internal strength, to resort to visible and invisible dangers, to foresee and to claim nonexistent conspiracies and to frighten the people by saying that "Attila is preparing for a new advance."

Let us recall the "large conspiracy" the brains of the 1978 leadership conceived and which proved to be fraudulent.

Let us recall the campaign of a few months ago to frighten the people that a separate state was to be announced and that Attilas would assault the free areas.

Let us recall also the latest government announcement which tried to remind us(!) of Attila's presence so that we could forget Papandreu's wrath against the Cypriot leadership.

But AKEL has elevated danger-mongering to a science and has reaped laurels in this sector. We all know now that neither destabilization nor instability nor (plans for) overthrowing the president existed, nor assassinations of political leaders or provocations at the Attilas line [were planned]. All AKEL prophecies then proved wrong because they were invented in a desperate effort to turn the people's attention to imaginary dangers for the purpose of serving party needs. The same will happen to the new danger-mongering the government and AKEL jointly serve to the people. They, as well as we, shall witness it. And we shall remind them, as we did today, of their 3 and 4-year-old prophecies which did not come true.

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CSO: 4621/323

## USSR COOPERATION OFFER PRAISED

Nicosia KHARAVGI in Greek 22 May 82 p 3

[Text] The assessment of the representative of the USSR State Commission for Trade Abroad that the prospects for establishing industrial and other units in Cyprus with Soviet cooperation are good, created sentiments of joy and gratification among our people. The reasons for this gratification are obvious.

The establishment of such projects would have an extremely beneficial impact on the entire economy of the island. It would contribute to the economic development rates of increase which, by general admission, have dropped to a disturbing point and to the invigoration of investment activity. It would create many employment opportunities particularly in the country's professional sector and would promote the exports and especially the sale of farm products. It would contribute to the improvement of the standard of living of our working people and, naturally, would strengthen still further the already close economic and trade relations with the Soviet Union to mutual benefit.

We are convinced that the Cypriot government--taking into consideration the need for a continuous growth of our economy which constitutes the basis and support of the struggle against the imperialist front, and taking also into consideration the overall interests of our case--will study with necessary attention the offer made by the USSR which is the staunchest supporter of the Cypriot people's struggle.

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CSO: 4621/323

KYPRIANOU: ONLY RESPONSIBLE FOR DIKO ACTIONS

Nicosia CYPRUS MAIL in English 27 May 82 p 1

[Text] The following is the full text of President Kyprianou's interview with the Athens news agency, officially released through the Public Information Office.

Do you endorse any insults against the Prime Minister of Greece?

I am only bound by and responsible for the positions of the government and the Democratic Party, of which I am President. I do not endorse, I am not responsible for, I have nothing to do with and I am not bound by statements or announcements from any political party in Cyprus concerning the Greek Government or the person of the Greek Prime Minister or any other matter. Nevertheless, it would be inconceivable for me to accept any insults against the Greek Prime Minister, which, in such a case, I deplore.

What do you think AKEL's position is? Has it insulted the Greek Prime Minister or not?

I do not represent AKEL, nor can I speak on behalf of this party. However, I note the fact that its General Secretary, Mr Papaioannou, has stated that AKEL has not insulted the Prime Minister of Greece and has expressed his esteem for him during his party's recent Congress.

What are your personal views of the Prime Minister of Greece and his activities for Cyprus?

Mr Papandreou is an old friend and fellow fighter. His concern for Cyprus is indisputable for me. Well known are also his untiring efforts for the safeguarding of the independence and sovereignty of Cyprus, and his struggles for Cyprus have received worldwide recognition. Mr Papandreou's policy of dynamic support I have noted from the very first moment as very important to developments in the Cyprus problem.

The Athens news agency last night quoted the Greek government spokesman as saying:

"The matter is one for the Cypriots. President Kyprianou has realised that there was a question for him, after the publications in the Cypriot press,

and he tried in this way to denounce the insults against the Greek Prime Minister".

--The Cyprus government spokesman last night said that it was not intended to comment on the Athens "unfortunate statement". This is for the sake of good relations between Nicosia and Athens.

CSO: 4600/530

## SOCIALIST PEOPLE'S PARTY ELECTS NEW VICE-CHAIRMAN

Copenhagen BERLINGSKE TIDENDE in Danish 19 May 82 p 7

[Text] Aage Frandsen, assistant professor, Århus, has become the new vice-chairman of the Socialist People's Party. He was elected unanimously at the meeting yesterday of the party's executive committee.

He will replace Ole Henriksen, M.P., who already at the national congress of the Socialist People's Party last weekend decided that he did not want to offer himself for reelection because he did not get very many votes when he was elected for the executive committee. The top winner in the election of the executive committee was Aage Frandsen, who got 135 votes as against Ole Henriksen's 67 votes.

It comes as no surprise that Aage Frandsen was elected, one of the reasons being that the Socialist People's Party is not interested in having too many positions of trust safeguarded by few members, and many have felt that it was too much with both a party chairman--Gert Petersen--and a vice-chairman in the Folketing. Aage Frandsen himself was previously a member of the Folketing--from 1971 to 1975, elected at Århus.

006

CSG: 006/103



## BRIEFS

APPLICATION TO LEAVE EC ADVANCES--Greenland is now on its way out of the EC. The Danish government yesterday presented its proposals for a change in the EC treaties, involving Greenland's withdrawal. As promised, the consequences are thus being taken of the plebiscite, which, by a narrow majority, advocated Greenland's withdrawal. The Danish proposals were submitted to the Belgian minister of foreign affairs, who, at present, is the chairman of the EC. At the same time, the EC Commission has been notified. Early next week, Minister of Foreign Affairs Kjeld Olesen will brief his colleagues. Among the Danish proposals submitted is a proposal to grant Greenland the position of a so-called OLT-country. That means a number of advantages in its trade relations with the EC and also opens up the possibility of aid. However, it is far from certain that the other EC countries will accept such an arrangement. Several of these countries have expressed their disappointment that Greenland, as the first area, wants to withdraw from the EC. Negotiations of long duration are expected, so the withdrawal will hardly become a reality until some time in the course of the coming year. [Text] [Copenhagen BERLINGSKE TIDENDE in Danish 20 May 82 p 1] 7262

OSO: #106/127

## MINISTER ON NORMALIZATION OF INNER-GERMAN RELATIONS

LD111402 Hamburg DPA in German 2311 GMT 10 Jun 82

[Text] Berlin, 10 Jun (DPA)--There can be no talk of further normalization of intra-German relations, according to Federal Minister for Intra-German Affairs Egon Franke, as long as there is no increase in travel and in visitors' traffic. The marked decrease in journeys to the GDR after the increased minimum exchange has reached a level which has unavoidable psychological consequences, Franke said in Berlin today at the annual general meeting of the "Kuratorium Unteilbares Deutschland." The reasons for a slow down in intra-German treaty policy are to be found primarily in world-political "uncertainties."

The minimum exchange quantity and GDR demands for recognition of its citizenship by the FRG "should not hinder the continuation of the negotiation and treaty policies, in the last instance." He said he does not believe East Berlin intends to reverse relations but that it remains fundamentally interested in continuing the detente policy. In this connection he mentioned that the number of journeys in connection with family matters had recently increased strongly--from 3,000 in April 1981 to 4,000 in April 1982. There is reason to be satisfied with the development of family reunification.

The minister recalled that the GDR had introduced some relaxation in travel restrictions after the meeting on Lake Werbellin--among other things doubling the allowances for gifts and increasing the number of times GDR citizens can travel to the FRG on family matters. Franke also spoke about fatal incidents on the border. The GDR system of preventive devices has a shameful technical perfection of which one could only be ashamed as a German, even if one has nothing to do with them personally. The fact that there have been at least 1,867 fatalities shows the "antihuman, violent character of the GDR regime."

Franke also spoke about the GDR's increased efforts to "militarize daily life" and its attempts to ensure a long-term supply of people to fill military positions. "In spite of these attempts, I believe they will not be successful in making the Germans in the GDR into militarists." Even if the tendency toward militarization must be noted, we still have to be clear about the difference between "the intention and the ability to put it into practice."

CSO: 3103/511

## BRIEFS

RESHUFFLE INDIRECTLY CONFIRMED--A government spokesman yesterday indirectly confirmed press reports that a cabinet reshuffle is planned, but said there is no basis about particular changes in the government lineup. "As Prime Minister Andreas Papandreou has stated during the election campaign," the spokesman said, "the present structure of the cabinet is not conducive to maximum efficiency. It is the government's intention," he continued, to introduce a bill for the restructuring of the cabinet. The time of this bill's introduction to parliament has not yet been decided by the Prime Minister. "Apart from this, all other reports about changes, persons, etc... are totally unfounded," the spokesman concluded. [Text] [Athens ATHENS NEWS in English 4 Jun 82 p 12]

CSO: 4600/530

## KKE-INT. CONGRESS OPENS, SITUATION ASSESSED

Athens I AVGI in Greek 16 May 82 p 1

/Text/ "The central political problem today--following the great democratic victory in October--is that the great popular majority that threw the Right out (of power) will require a new and more mature understanding of the content of Change the country needs so that through the necessary popular inter-action it can overcome the deep and multi-sided crisis of the Greek society."

This was the meaning given to the activity of KKE-Int. by the party's secretary, Kh. Drakopoulos, speaking at the opening session of the party's /Third/ Congress on Saturday at the "Milonas" stadium in Nea Smyrni. The Congress continues its sessions at the same place and will end on Saturday with the election of a new 60-member committee.

On Saturday the participants were greeted by K. Laliotis on behalf of PASOK. Laliotis, a member of the PASOK Executive Bureau, assured the members that PASOK follows with interest the positions, the critique, the changes and the dialogue of KKE-Int. on political developments.

"We are interested," he said, "in the strategic reasoning, the practice and your proposals, not only on the overall political scene but also in the social areas." He repeated the PASOK Central Committee thesis that there are positive possibilities "for common action based primarily in the mass areas."

The Congress was also greeted by United Democratic Left /EDA/ Chairman Ilias Iliou, Democratic Socialism Party's /KODISO/ Kh. Protopapas, Democratic Center Union's /EDIK/ G. Vergadas, National Communist Party of Greece /EKKE/ representative G. Arakhovitis, and Christian Democracy's N. Psaroudakis.

The opening of the Congress was attended by delegations from the League of Yugoslav Communists, the Communist Party of Romania, the Communist Party of China, the Communist Party of Spain, the Italian Communist Party, the Left Socialist Party of Norway, the Peoples' Socialist Party of Denmark, the "Sandinistas," and the National Front of Lebanon. Messages were sent by the British Communist Party, the Belgian Communist Party, the Communist Party of Austria, the Korean Workers' Party, the Socialist Party of Portugal, the British Labor Party, Mexico's United Socialist Party, Eritrea's Liberation Front, and Iran's Mujahedin Halq.

Other points from the Drakopoulos speech:

On the countries of "existing socialism," he said: "It is obvious that existing socialism is going through a period of severe crisis which in some cases takes the form of popular uprising. The causes of crisis are found in its very model. These observations in no way diminish the conquests and contribution of the October Revolution."

On the government of PASOK: "The PASOK government, on the basis of its current measures and especially its specific programmatic orientations, does not apply a policy capable of allowing a way out of the present crisis and of leading to the deep and necessary transformations that will open the road to socialism. We are not underestimating the significance of a series of positive governmental measures of democratization. But these measures are insufficient and do not form an effective policy to get out of the crisis."

About the New Democracy: "In spite of its electoral defeat and leadership crisis it maintains strong positions and supports in the state machinery and the economy using them to undermine every effort for change that leads the country in the direction of socialism. Trying to absorb the PASOK government into the system, it aims also at the preparation of some conservative governmental 'alternative.' The struggle against the Right is always timely but it cannot be successful without promoting the necessary measures to overcome the crisis."

On KKE /Ext.7: "With its known ties to foreign centers, its hostility to the democratic way to socialism, the practice of labor struggles and the like, it plays a negative role, and at this stage it blocks one part of the active forces of the working people."

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CSC: 4621/367

## PASOK-KKE FALLOUT SEEN ONLY SUPERFICIAL

Athens 1 VRADYNI in Greek 11 May 82 p 1

[Editorial] Nobody is fooled by the staged feud between PASOK and KKE-Exterior, which appears to be heating up following the [Florakis] formal speech in Salonica. Both parties know that this is a "faked" controversy and that the shooting is done with blanks.

PASOK needs at this moment a handy public differentiation from KKE-Ext. This differentiation is required for reasons of internal stabilization of PASOK, but mainly for reasons of foreign policy. The governing party needs to accomplish certain short-term objectives which could not easily fit its ideological identification and political alignment with KKE-Ext. The Cypriot problem, American aid to Turkey, the trip to the Third World, Haig's visit--all require that the government be supplied with a loyalty certificate.

Beyond that, Florakis cannot hide his satisfaction at the way things have gone so far. No doubt he smiles happily at his own group while trying in public to play the severe critic. He claims that he sees changes but not Change. But Florakis sees both the direction and the nature of the changes. And he has no illusions.

Florakis sees that a clearly one-party state is being established, since the state machinery has been emptied of the responsible public servants and has been flooded with unknown "green advisors." PASOK seems to agree with Lenin that when the state exists there can be no freedom. Florakis knows that never before has the theory of class struggle and class hatred been promoted more systematically and more insistently than now under PASOK which has outdone the communist party in class intransigence.

Florakis knows that the syndicalism has been politicized, placed under party control and passed on to Marxist hands that consider it their duty to applaud the government, just like the corresponding organizations of the existing socialism. The KKE-Ext. is complaining that the government does not use some of its cadres as ministers. Do you think he does not know that many influential PASOK ministers have been not merely students of KKE-Ext. but appear to be standard-bearers of his ideas?

The KKE-Ext. complains that in the context of our foreign policy we did not withdraw from NATO and we did not abolish the bases. Do you think that [Florakis]

does not see that since 18 October a systematic and gradual reorientation of our foreign policy has been taking place? Does he not see that we are accepting Brezhnev's proposal on freezing Europe's arming with missiles, thus voting for Soviet supremacy? Does he not see that every day we voice reservations about NATO decisions? Does he not see that we call Jaruzelski the leader of Poland but we call Duarte the dictator of El Salvador? Does he not see that all voices curse the "imperialist West" while they extol the Soviet Union of Afghanistan?--especially at this moment when this insulted West is about to give the Greek economy almost \$3.5 billion?

Florakis threatens that the people will take the Change into their own hands. We agree. The people will soon take over. And then the Change will be turned into "Good Riddance."

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CSO: 4621/367



## APPRECIATION EXPRESSED FOR 'GOOD AMERICAN'

Athens AKROPOLIS in Greek 15 May 82 p 1

[Editorial] The sound thinking Greeks welcome today in our country the U.S. secretary of state. In his person we salute the Greek Democracy, the leading power of the free world, the friend and ally to whom we owe so much. We also salute Hope. Because his visit shows that America does not forget Greece. It does not abandon Greece. This is the best guarantee for our future.

Even in the most closely knit families there are occasional complaints. Sometimes even quarrels break out. But this does not dissolve them. This applies to the family of the free peoples as well. There are differences. Complaints are heard. Quarrels break out. But we do not stop being one family. With a common culture, Greek-Christian in origin. With freedom as the common foundation--economic, social, intellectual and political freedom. With our national independence as the common denominator. With common interests, visions, problems: and facing common dangers.

The family of the free western nations is the only hope of mankind. This family could not exist without the American. The American who offered his tremendous potentialities to the war against the axis. The American who gave Europe the means to survive, to be reconstructed, to prosper. The American who blocked with his might the aggressive expansionism of communist totalitarianism. The American who gave his toil, his money, even his blood for the common ideals of the West.

Greece would not exist today without this American who gave us the means to crush the communist assault; who supported us morally and materially; who held back on our borders the ironclad armies of the imperialists; who helped us rehabilitate our land and reach a higher living standard.

There have been causes for some coolness between us. Mistakes have been made by both sides. We have issues pending. But all these are nothing but insignificant spots on the brilliant sun of our many ties. We do not forget, we cannot forget the Good American. The friend, the ally, the comrade.

Welcome, Mr. Haig. We wish that everything will go well. Our wish is that all issues will be settled in the best possible way for our two friendly nations. As a newspaper we will fight to continue walking together on the highways of Freedom.

## DISMAY EXPRESSED OVER 'UNDECLARED' KKE WAR ON PASOK

Athens EXORMISI TIS KYRIAKIS in Greek 15 May 82 p 12

[Text] No doubt the political spokesman of the Right and of the economic oligarchy must be grinning from ear to ear seeing the turn of the KKE undeclared war against the PASOK government into an open and formalized war following the open criticism [read "attack"] by Kharilaos Florakis in his speech in Salonica. No doubt they must be happy because to the myriad problems, obstacles and all kinds of reactions on the part of the Right designed to weaken the steps of the government on the way to Change, now KKE is being added, saying that these steps are not satisfactory or their quality is not to its liking, or do not live up to PASOK preelectoral promises. The entire speech of Kharilaos Florakis--except for the introduction--was devoted to an attack against PASOK, to reach the conclusion--or threat, if you wish--that his party has no more patience (it has shown too much already!) and that it will not tolerate further "adulteration of the Change," in other words, the people's betrayal by PASOK.

The "bill of accusations" is so extensive that one does not know where to start and where to stop. It is noteworthy that the speaker, starting from the basic observation that the great majority of the electorate at the 18 October election "embraced the declarations and the slogans of the parties that advocated the Change and found the strength to push the Right out of power," portrays his party as though it were the guardian of the struggle or at least the unquestioned--by "the right of inheritance"--spokesman of the content of the Change and of the corresponding strategy. But the preelectoral conditions and confrontations are too recent to be forgotten. The fierce attack against PASOK to prevent it from coming to power, or at least coming to power with an independent majority, is too recent to be forgotten. And it is known that the overwhelming majority of the people approved the long-term and short-term program of PASOK which, of course, is not identical with that of KKE. Therefore, it is unnecessary for the KKE secretary general to put in the same bag the totality of democratic majority since there are and continue to be specific ideological and strategic differences. It is unnecessary for KKE to portray itself as the total spokesman for the victory of 18 October. It is also incongruous to demand from the majority party that it apply a policy to the liking of KKE. It is clear of course that Florakis with his inflammatory and divisive speeches is trying above all to drive a wedge between the PASOK government and its popular base. He is wasting his time because PASOK is applying its program in keeping with its preelectoral promises steadily, step by step, carefully, taking into account each time the existing conditions and the

domestic and external correlation of forces and the national and popular interest. PASOK will be accountable to its followers, not to the followers of KKE, who, in any event, have not represented but a permanent and limited minority for decades and which is expressed by a policy of vertical and direct split which calls for other methods for the conquest of power. The hasty attempt to disrupt the popular unity and the pronouncement of obstacles from the left to the governmental work, under the "all or nothing" logic, serves in the last analysis the economic oligarchy and its political expression. Just a glance into the anti-government press shows their no longer secret anti-joy for this attempt to disrupt the popular unity for which KKE cannot be proud. We never asked KKE to lower its flags nor the popular masses to stop their demanding struggles. Nor do we deny the good faith and constructive criticism and the creative suggestions. What is unacceptable is to deal with a young socialist government with the same hostility they dealt with the governments of the economic oligarchy, because it is no magician and has been unable in a few months to pull the chestnuts out of the fire and to solve all the popular and national problems which have been pending for decades, some of them since the creation of the Greek state.

#### On Haig's Visit

The show of the known organizing ability for mobilizing KKE's popular minority on the occasion of the visit of the American secretary of state to our country is not unrelated to the escalation of open war against PASOK ignited at last by Kharilaos Florakis with his speech in Salonica. The goals of this show are obvious. It is an effort to drive a wedge between PASOK and the popular masses for the purpose of fishing for marginal followers. It is an effort to portray PASOK as abandoning its theses and preelectoral proclamations which constitute the quintessence of its existence, and that it flirts now with the imperialists, no less!!

But the PASOK government has no illusions. It knows full well what Haig represents and does not expect to learn it from KKE. With this knowledge it invited him to talk openly and to the point, face to face. PASOK declared its theses before the election with regard to the U.S., NATO and the foreign bases in our country, and the government has put in specific terms in its programmatic statement before the Chamber of Deputies. The government places the Haig visit in this context, and has no intention of departing from it. The government has no reason to fear this visit in the same way it has no reason to fear the visit of any representative of a major power, such as USSR Premier Tikhonov and Foreign Minister Gromyko, which may take place. Under the circumstances, then, what is the reason for these anti-imperialist lectures on the part of KKE which, moreover, did not hesitate in its anti-PASOK campaign to align itself with the obsenities of its "sister" party in Cyprus and with the base mud slinging against the person of the people-appointed leader, Andreas Papandreu? But as we said, Haig is just a pretext; the real target is PASOK--a target which unacceptably attempts to portray KKE as the god-father of the popular majority of 18 October and as the sole spokesman of the "worries of the Greek people," to quote the statement of the Central Committee Politbureau. KKE will do well--while there is still time--to stop this downslide which in the end leads only to the strengthening of the reactionary forces which are glad to see all this happening, as shown by the headlines of the opposition press. There can be nothing worse at this moment than this sudden and short-sighted attempt to break up the national and popular unity, an indispensable condition for supporting the steps of the Change.

We are truly sorry that KKE's leadership, by starting into an open war against us, forces us to repeat certain bitter truths which will certainly continue if the attack continues. But we warn them that they will hope in vain to drive a wedge between the PASOK leadership and its popular base or that we will accept lectures of anti-monopoly and anti-imperialist orthodoxy.

With regard to the specific subject of the discussions with Haig, the great majority of the Greek people has unshakable confidence in the government and the leader Andreas Papandreu who calmly handles the national issues with full knowledge of the great responsibility toward the people and the nation.

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## DIPLOMATIC CORPS CHANGES RAPID

Athens I KATHIMERINI in Greek 16-17 May 82 p 1

[Excerpts] The coordinated implementation of the law against many positions and transfers of public servants is now being expanded into the diplomatic corps with the transfer into the Foreign Ministry of civil servants from other unrelated services who naturally are ignorant of the special subject matter of the Foreign Ministry.

Diplomatic circles note these new governmental actions as an indication of this "partisan invasion" and the downgrading of the country's diplomatic representation.

## Interventions

Particularly upsetting for the diplomatic corps is the effort by Minister to the Premier M. Koutsogiorgas to bypass Foreign Minister I. Kharalambopoulos on administrative questions of his ministry, under the opportunities offered by the Law on Public Administration.

It is indicative that the partisan transfers of persons unrelated to the diplomatic service is designed to control this branch, although the diplomatic sector deals with national questions whose treatment always was outside partisan expediency.

It is worth noting that the actions of the minister to the premier have provoked complaints from ambassadors who are considered to be politically friendly with the government.

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## KKE SEEN 'POLICING' NOT CONDEMNING GOVERNMENT POLICIES

Athens EPIKAIRA in Greek No 720, 20 May 82 p 17

/Text/ It is natural for the "ambiguous" government policy--especially on foreign issues--to create corresponding dilemmas for the other parties which are thus compelled to revise continually their opposition tactics in response to various government manipulations. This fact has become more obvious recently, particularly in the government-KKE relations which for a moment appeared to be headed toward a clash which finally was contained by both sides within controlled limits.

There is no doubt that the open clash was arrested mostly by KKE's stand which made a tactical retrenchment maneuver in order to hold the sharpest controversies between the two parties to a "boiling point" and avoiding an immediate danger of explosion.

The gradual worsening of the PASOK-KKE relations is because of three things: the cancellation of the Qadhafi visit, the renouncing of the AKEL-Kyprianou cooperation agreement and, mainly, the Alexander Haig visit.

## Warning Shots

The Haig visit developed the greatest dilemma for the KKE leadership. Besides the war of announcements and denouncements, the Extreme Left resorted, for the first time in the 7 months since the elections, to "massive demonstrations" in order to make known its opposition to the government actions. But according to analysts who well know the communist methodology, the "massive demonstrations" were finally limited to "warning" shots and attitudes. The "protest demonstration" at Syndagma Square last Friday did not exceed 10,000 demonstrators in size, was subdued and ended without incident. Characteristic also is the fact that the KKE demonstration was organized on the eve of Haig's arrival while during his 2-day stay and meetings no "demonstration of popular indignation" took place.

The question arising following these assessments is: To what is the KKE obvious retrenchment due and what will the impact on the relations of the two parties be if the government proceeds with more positive actions for solving the issues pending on NATO and the bases?



### Sudden Change in Attitude

According to a New Democracy Party view, KKE after "mature consideration" appears to follow the "war of attrition" tactic by avoiding an open rift with the government. In all probability, it is added, the display of realism and the extension of the toleration timetable for Papandreou are also due to "outside counseling guidance." In this respect, the sudden change in AKEL's attitude when the Greek government renounced its cooperation with Kyprianou should be borne in mind. Within 24 hours, the Communist Party of Cyprus went from aggressive charges to defensive explanations thus dictating corresponding reaction fluctuations within KKE also.

It is evident that the above view is based on the assessment that the Greek government's actions in the area of foreign policy have not been evaluated until now with the same criteria by the KKE leadership and the Kremlin. More specifically, it is claimed that the Soviet Union does not share the illusions the communist propaganda cultivates in Greece as concerns the possibilities of a real reorientation of the Greek foreign policy. The Kremlin leadership, prompted by events in Poland, declared even recently its attachment to the Yalta agreements and it is, therefore, natural to consider the moment inappropriate for disturbing the international balance. In this context, it is more reasonable for the Kremlin to avoid approving a rift in the broader area of the Greek Left and to limit itself simply in encouraging each nondramatic disagreement between Athens and its Western allies. Moreover, the Kremlin must take into account the possibility that an open KKE attack against the government would nullify any influence of the Extreme Left and make it easy for Papandreou to redefine his foreign and internal policy.

### In the Role of Gendarme

Instead of the role of a prosecutor, KKE seems to choose the role of a gendarme for "policing"--and not for condemning--the PASOK policy. According to all indications, using this tactic KKE will try to exploit this informal truce and to push forward its influence in the areas of "massive activity." To all appearances, in other words, we shall have a guerrilla warfare at the top and a cruel confrontation in the popular base with syndicalism, the farm cooperatives and the student movement as the fields of conflict.

### Violation of Truce

The question is how PASOK will react as it ascertains that the truce is useful to the "self-invited partner" of the Change and harmful to itself. Already the first messages from the syndicalist and agrarian area are not at all favorable to the governing party. The coalescence for displacing the Right, having achieved its aim in many organizations, is now transformed into a "civil" conflict for the guardianship of the syndicalist movement. Having as its main weapon the disenchantment for the development of the economic situation and as an ally the lack of ideological change in the area of "massive action," KKE shows a superiority which is disquieting to PASOK. Thus, we should not exclude having in the next few months a violation of the truce--this time--by the governing party and a reversal of the roles between the attacker and the attacked in the area of relations between the two parties.

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## CONFLICTS, DIFFERENCES REPORTED IN BOTH PASOK, ND

Athens EPIKAIRA in Greek No 721, 27 May 82 p 16

/Text/ When the politicians and the parties are forced to declare over and over or to reassert their devotion to "standard principles" and "steadfast objectives" the most common thing that can be happening is that there indeed have surfaced reasons for doubting their ideological and political identity. Two important political events in recent days reinforce the view that developments are taking place within both PASOK and ND which lend some liquidity to the "standard principles" and a corresponding movability in the "steadfast objectives." We refer to the speech Evang. Averof delivered to the ND Administrative Committee and the positions on the government's economic policy presented by the premier and the Bank of Greece governor to the Greek industrialists.

It is not at all considered accidental and symptomatic that the ND president /Averof/ speaking last Thursday to the /party's/ administrative committee devoted a large part of his speech to proving groundless and false the reports of the government press about the existence of ideological problems in the ranks of the major opposition /ND/.

## Dissension at the Top

It is difficult to disassociate Averof's speech from the effort to restructure the party pyramid and to establish a "political office" with substantial and decisive responsibilities in charting the ND policy. This is so because already in one of the first meetings of the 5-member "political office"--consisting of K. Papakonstandinou, K. Mitsotakis, I. Boutos, K. Stefanopoulos and Ath. Kanellopoulos--there emerged dissension on an issue of purely ideological character. Specifically, this "political office" was unable to reach a decision on the positions ND would support during the debate of the bill in the Chamber of Deputies on recognizing the National Resistance. Regardless of how unimportant the object of the dissension may be considered, no one undergrades the fact that the "political office" failed to agree and to chart a political line. On the contrary, the minimized importance of the object maximizes the disappointment of all those--and especially of the leaders outside the party--who believed that the establishment of the "political office" would contribute to the amelioration of the antitheses and the antagonistic tendencies among the ND cadres.

By all indications, the idea of establishing the "political office" is in harmony with the firm views of the founder of the party and today's regulator of the

country's political system /president/ who believes that "the existence of steady and long lasting parties is indispensable for the country to acquire democratic traditions and ensure normal political life."

#### Karamanlis' Stand

The above advice given by Karamanlis during the critical /ND/ election or a leader last October appears to be based on the belief that no ideological differentiations exist in ND capable of threatening its unity. In this case the inter-party dissensions should be attributed to the legitimate--perhaps--ambitions of leaders, ambitions which, however, are projected in an illegitimate way; they are, that is, surrounded by the mantle of ideological differences. In politics it is not the motive but the result that is important.

#### PASOK's "Turn"

Exactly the opposite appears to be taking place within PASOK where the inter-party differences are of deeper meaning without being correlated to other motives or personal rivalries since Papandreu's dominating forcefulness is undisputable inside and outside the party.

For these reasons, the premier's unscheduled appearance and speech at the celebration of the 75th anniversary of the Association of Greek Industrialists /SEV/ created particular sensation. His speech was taken as a PASOK "impressive opening" toward the private initiative and the productive classes, a fact which RIZOSPASTIS reported under the eloquent headline "Priority to the Industrialists." The premier referred to the need a) for increasing productivity (addressing mainly the working people), b) for limiting the para-economy (stressing once more that the ruling class is not the industrialists but the middlemen) and c) for strengthening all production efforts.

Surely Papandreu's speech anything but "psychologically prepared" the industry representatives who subsequently heard /Arsenis/ the Bank of Greece governor's "third world" sermon about establishing a new development model having as its main support the domestic market, self-sufficiency and the abandonment of the economy's outward orientation.

#### Theory-Practice Differences

One could not easily support the view that Arsenis' speech represented an analysis and development of the spirit of the premier's greeting to SEV. The most probable thing is that the bank's governor stated theoretical positions and Papandreu political ones. The differences between theory and practice are of the same proportion as the corresponding ones already evident in the PASOK positions on vital foreign policy issues. By invoking the theory and "the strategic targets" it is possible to cover a move to "more realistic" political positions.

## The Next Months

The next few months and the expected government reorganization will certainly contribute to a further clarification of our political horizon. Moreover, it is natural for all developments taking place within the two largest parties to be influencing each other. Any ideological differentiation has its impact on the two adversaries who, with the Center's dissolution, have common ideological borders even though such delineation is hardly visible and changeable.

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## INTRA-PASOK FACTIONS, ALIGNMENTS, POWER CENTERS REVIEWED

Athens I VRADYNI in Greek 31 May 82 p 5

/Article by Titos Athnasiades/

/Text/ Intense disturbance, controversy and confusion have prevailed recently within the PASOK ranks and especially among the members of the Parliamentary Group as the time approaches for the government reorganization on which VRADYNI first reported 15 days ago and the premier himself confirmed later in a speech at Argostoli.

The planned reshuffling in June or July has caused deep disturbance in the government (thus paralyzing many ministerial offices) but also behind-the-scenes fermentations in the Parliamentary Group, the stars being those ministers and deputy ministers who are considered for replacement and those regarded as candidates for ministers /and deputy ministers/. Both categories of PASOK cadres are already exerting vigorous pressures in order to maintain or to gain support in the staff "centers" of the movement which will be asked by the premier to submit proposals in view of the reorganization.

The reports about the persons to be replaced and the assurance that the partial reshuffling is due in June while the complete reorganization which VRADYNI calls "a mopping up action" will be realized in July or August following the passing of the law on restructuring the Ministerial Council, have increased the secret meetings taking place in the various homes of parliamentary and non-parliamentary PASOK leaders--meetings which the PASOK establishment characterizes as "illicit conventicles."

One such meeting took place recently at the Kolonaki home of a PASOK deputy, who is an author, on the occasion of a party for the publication of his new book. Present at this gathering were PASOK Deputies I. Floros (Larisa), G. Papadimitriou (Aitolioakarnania), I. Katrivanos (Second Athens District), Sp. Rallis (Kerkyra), St. Tsaparas (Salonica Second District), A. Sekhiotis (Arkadia), I. Koutsokheras (Athens First District) and D. Khondrokoukis (Piraeus First District).

According to reports the relations between these deputies and the PASOK "establishment" are particularly cold because they blame it for their not becoming ministers in the first reshuffling of the Papandreu government. It is said, moreover, that they were suspected of leaking to VRADYNI everything that was discussed during the first meeting of the Parliamentary Group and that they were exposed exclusively by this newspaper--a leakage for which "investigations" were ordered and which caused the cancelling since then of all meetings of the Parliamentary Group despite the promise given that the group would meet every month.

### Group Alignments

The intensity of the behind-the-scenes meetings in view of the government reorganization has strengthened impressively the "group alignments" of the PASOK deputies.

The major groups to which the PASOK deputies seek "refuge" are the following:

1. The "ALEVRAS GROUP." In his position as president [speaker] of the Chamber of Deputies [Vouli] and as PASOK's parliamentary spokesman for 7 years, Alevras has gained influence and power in the Parliamentary Group and the movement in general and is considered to be the major spokesman of the old centrists. In any case, it is a fact that the "Alevras Group" seems to be losing its influence since its supporters in the government are arithmetically few.

Alevras, who before the elections was extremely strong, is now accused by former friends of failing to use his "fist" and have friends of his appointed as ministers. It is reported that among those who deserted him are Deputies G. Papadimitriou and G. Serpanos (Aitolokarnania), Io. Floros (Larisa) and St. Tsaparas (Salonica).

Today, the Alevras Group includes Minister of Justice St. Alexandris and Deputies M. Natsinas (Vouli's second deputy speaker), Foivos Koutsikas (Messinia), D. Vradelis (Rodopi), Ilias Katrivanos (Athens Second District), Vasilis Kedikoglou (Evvoia), Khr. Basagiannis (Aitolokarnania) and Them. Loulis (Ioannina).

2. The KHARALAMBOPoulos GROUP." The group of Foreign Minister Kharalambopoulos is considered the "weakest" with less influence at the top. It includes Deputies N. Papaioannou (Aitolokarnania), D. Sapoundzi (Evvoia), Sp. Rallis (Kerkyra), Io. Koutsogiannis (Argolis) and K. Papageorgiou (Kozani).

3. The "KOUTSOGIORGAS GROUP." Following the elections, the Koutsogiorgas "star" rose on the one hand because of his friendship with the PASOK leader and because of the "accommodations" he provided for Papandreu's son's election in Patrai and on the other hand because of the "hard line" he imposed--a line which repelled some and increased the devotion of others.

So meteoric was the Koutsogiorgas rise following the elections that the PASOK followers were referring to Andreas Papandreu as "god" and to Koutsogiorgas as his "prophet"...

Ap. Kaklamanis (labor minister) whose role and mission are beyond the group's limits holds a ranking position in the Koutsogiorgas Group. The same group includes

Ministers E. Giannopoulos (Communications) and Io. Skoularikis (Public Order) and Deputy Minister of Agriculture Alexiadis. It also includes Deputies G. Katsimbardis (Voiotia), M. Ginoglou (Imathea), Pav. Zakolikos (Magnisia), V. Agorastis (Larissa) and P. Kondogeorgis (Athens Second District).

In the government reorganization this group is threatened with considerable reduction of its power because it is considered certain that Giannopoulos and Alexiadis will be replaced while Io. Skoularikis may also be replaced or at least transferred to another ministry. These changes cannot be balanced out by the certain appointment of G. Katsimbardis as minister.

#### Papandreou's "Court"

4. The "KATSIFARAS-KATSANEVAS GROUP." This group includes the strong persons in the Papandreou "court" and is under the vigilant care and political manipulations of Papandreou's wife Margaret who is trying to play the role of the "iron lady" within PASOK. It is said, moreover, that after the elections she told a very close circle of friends how she visualized her role as a new "Frederiki" former queen.

This group is the strongest in the movement and is considered as "elitist." Katsifaras who appears as the "guardian" of Papandreou's children plays the role of protagonist. As a matter of fact, speaking in Vouli a few months ago, he pointed out the benefits the country will derive through the entry of Papandreou's children into politics and stressed Greece's good fortune because in a few years one of Papandreou's sons, Nikos, will return from abroad United States as a professional university graduate.

On the other hand, the fact should not be overlooked that Katsifaras has been, as reported, the factor matchmaker for the successful outcome of the idyll between Papandreou's daughter Sofia and Katsanevas, the present director of the Labor Force Employment Organization. One of the group's objectives is the charting of a program for a future leading role for George Papandreou another son of the premier about whose abilities anything but flattery is being heard.

This group is trying to have control of the government while it fully dominates the Union of Greek Women UGE in which its only adversaries are two cadres of the movement who are being slowly forced out because their influence is considered dangerous. They are Kalliopi Bourdara and Vasoula Papandreou (of the Hellenic Organization of Medium and Small-Sized Enterprises and Handicrafts) who are cooperating with each other.

Livanis who is the key for controlling the Parliamentary Group holds a leading position in the Katsifaras-Katsanevas Group which also includes Gr. Kasimatis, director of the premier's office, special advisor Andonis Stratis and the swarm of the premier's advisors and collaborators.

The relations Lazaris has in this group are good. He is obligated to the premier, to Margarita and Tritsis for their support in the known case of his wife in London. It is reported, however, that recently the Margarita-Lazaris relations are not so good because the first refused to let the second's wife, who is an American, accompany Papandreou to Algeria and take exclusive pictures of the premier.



The Katsifaras-Katsanevas group includes Ministers Avgerinos (Social Services) and Varyvakis (Education), Deputy Ministers Maroudas and Brosogiannis and leading cadres of the state machinery such as Ger. Arsenis (Bank of Greece governor), K. Papanikas (Greek Aircraft Industry president), G. Kondoroupi (chairman of the new airport company), M. Nikolaou (of EDOK-ETER /expansions unknown/ project advisor to the General Secretariat of Athletics), Angela Kokkola, the premier's private secretary (she is accused of "flirting" with the premier and the Simitis group through Ministry of Agriculture Secretary General Papathanasiou), and I. Zangas, brother of the premier's personal secretary (president of Stager-Hellas Co.).

It is said that in the Papandreou "court" the role of the "ladies of honor" is played by Madame Giannopoulou (wife of the communication minister), Madame Brosogiannis (American wife of the defense minister) and the always affable Madame Koutsogiorgas.

There are also verified reports that the members of the Katsifaras-Katsanevas Group hold meetings in the home of the first at Saronida or even at "Asteras" in Vouliagmeni where the premier spends many weekends.

This group includes Deputies P. Valvis, G. Maliakos, K. Aslanis, E. Pendaris, A. Kazazis, D. Khondrokokis, A. Batsos, A. Kolioussis, I. Papailias and Lila Khristoforidou (wife of Minister Varyvakis).

5. The "GENNIMATAS GROUP." The group of this ambitious minister includes Minister Stathis Giotos (Merchant Marine--best man of Gennimatas), Deputy Agriculture Minister G. Moraitis, Deputy Industry Minister D. Pitsioris and Deputy Education Minister P. Moralis. Also, Deputies Sp. Katiniotis (Preveza), Khr. Fotiou (Piraeus Second District), M. Papaioannou (Athens Second District) and P. Lambrakis (Athens Second District). Also, Ministry Secretaries General D. Rokkos (Education), A. Roussopoulos (Communication), M. Doris (Civilization), D. Polykhronopoulos (Industry) and Ath. Tsouras (Interior). The group includes also certain nomarchs such as Sp. Tsirimbis (Kefallinia), K. Siganidis (Kastoria), L. Sakellaris (Thessaloniki) and G. Kondomaris (Evvoia).

6. The "PANAGOULIS GROUP." This group of the interior minister is considered as the hardest one and includes Deputy Secretary of Commerce Io. Papaspyrou, Deputy Finance Minister D. Dimostanekopoulos, Deputy Foreign Minister K. Papoulias, Vouli Third Deputy Speaker P. Kritikos and Deputies T. Papageorgopoulos (Athens First District), Khr. Oikonomou (Trikala), Ath. Filipopoulos (Messinia), Al. Darivianakis (Iraklion), G. Davidopoulos (Kozani), Evang. Staikos (Fthiotis), An. Karras (Salonica) and the "interrupter" of Vouli, Kharis Atmatzidis (Xanthi). It also includes for Ileia Deputy V. Papadopoulos (now Piraeus nomarch), N. Zafeiropoulos (Athens Second District), Angelos Perdikouris (Piraeus Second District), A. Papakristou (Preveza) and Commerce Ministry Secretary General L. Gioklis. Also, Nomarchs K. Androutsopoulos (Arta), M. Kalkandis (Evrytania) and N. Parnakis (Messinia).

The Panagoulis group includes also many counter-revolutionaries. Circles of the premier's environment--Livani, Katsifaras, etc.--claim that this group cooperates with the Gennimatas Group and to prove their claim they advance the argument



that the Ministry of Interior has to its credit positive results and is considered the only ministry whose leaders are not suspicious of each other. The same circles add that Gennimatas "no longer openly insults" Panagoulis and accuse the deputy minister Panagoulis of "leaning too much to the Left" and of contacting KKE cadres.

7. The "TSAKHATZOPOULOS-SIMITIS GROUP." This group is the product of the consolidation of cadres who are followers of the two ministers. This consolidation came about following the initiative of persons who move around the German Social-Democratic Party both of whose ministers were members during their stay in Germany during the dictatorship years.

This group includes Ministers N. Akritides (Commerce), M. Merkouri (Civilization), E. Kouloubis (Technology). Also, Secretaries General K. Koulouris (Athletics) and G. Asimakopoulos (Justice) and Deputies S. Anastasakos (Karditsa), M. Vathis (Attiki), Th. Stathis (Larissa) and St. Tzoumakas (Athens Second District).

Recently, the group's stock has risen in the movement as a result of the impression Papandreou himself created and continues to cultivate about the number 2 cadre in the party, and Akis Tsokhatzopoulos who accompanied the premier on his recent trips to Western Germany and Algeria seems to be being groomed for that position. His grooming (Tsokhatzopoulos came third in the ticket for deputies-at-large after Mavros and Degiannis) is not accidental. It is basically due to his strong ties with the West German Social-Democratic Party and the role he played in that party's approach with Andreas Papandreou who, as is known, during the 1974-1979 5-year period had criticized it severely.

Of fundamental importance in the PASOK-West German Social-Democratic Party relations is also the role played by Kostas Nikolaou who is a PASOK Euro-deputy and one of the vice presidents of the Euro-Council and who now reaps the seed he has sown as an exile in West Germany during the dictatorship. Also, in the relations between these two parties important is the role being played by the Social-Democratic Political Academy which was established in Athens 2 years ago.

8. The "LALLOTIS GROUP." The favor extended by Margarita Papandreou to Laliotis, an Executive Bureau member, is well known and will culminate in his becoming a minister. It is reported that in the coming government reorganization he will become deputy minister following the decision to make Georgios Papandreou the premier's son/ deputy minister of Popular Culture Development.

The promotion of Laliotis to deputy minister is opposed by Executive Bureau members Tsokhatzopoulos, Gennimatas, Avgerinos and Katsanevas. In their circles one hears: "He (Laliotis) is not capable of getting a diploma from the School of Dentistry--and now he wants to become a minister?" The same circles accuse Laliotis of collaborating with former Executive Committee member Prof. Tsekouras whom Papandreou has fired.

The Laliotis group seeks the participation of young deputies. Present at the meeting of the PASOK Youth, held at the home of its secretary Stefanos Manikas, were the young deputies Khar. Kastanidis, D. Vounatsos, Khar. Georgakakis, Kon. Kanavakis and the greenguards /name derived from the party's official green

banner/ and special ministry advisors K. Skandalidis (Coordination), G. Thomas (Civilization), G. Panagiotopoulos (Athletics secretary general) and M. Stavrakakis (Coordination).

The following were not allowed to participate in the meeting even though they requested to be present (each for different reasons): Deputy St. Tzoumakos, I. Mantzouranis (Ministerial Council secretary) and Khr. Papoutsis (soldier, special advisor of the Ministry to the Premier).

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## BRIEFS

NEW SATELLITE ENGINE--SEP [European Propellant Co]: qualification of the Mage 2 satellite engine. This apogee engine for satellites, developed under the prime contractorship of the SEP in cooperation with an Italian company and a German company, has just successfully done its final qualification firing. The Mage 2, developed for the European Space Agency and the National Center of Space Studies, will make it possible to place a satellite weighing up to 700 kg in geostationary orbit. It will power the European telecommunications satellite (ECS) and the French telecommunications satellite (Telecom 1), which will be launched by Ariane in launchings L6 and L12. The next launch is scheduled for September. [Text] [Paris AIR ACTUALITES in French Apr 82 p 18] 11267

ARIANE TO LAUNCH TELEX, ANIK--Arianespace: two successive launching slots have just been reserved from it--the first for Telex and the second for a satellite of the Anik series. Telex, with a mass of 2,100 kg and comprising two direct-television channels and two others for data-transmission and video, is a satellite of the Swedish Space Corporation. It will be launched by Ariane 2 in June 1986. The Anik-series satellite, of Telesat Canada, will be placed in orbit by Ariane 3 at the end of 1985. Four of these satellites are already in orbit, and five others will be launched before the end of 1985. The total number of reservations already registered by Arianespace therefore comes to 10, in addition to the firm orders for the launching of 32 satellites by the Ariane launcher (development, promotion and commercial series). [Text] [Paris AIR ACTUALITES in French Apr 82 p 18] 11267

'FIRE AND FORGET' RADAR--OMERA [Optical, Mechanical, Electrical and Radio Company] Orb 37--Production-run delivery of these on-board radars (meteorology and navigation) began in 1981. They are going to the New-Generation Transalls first of all. A derivative version of the Orb 37 is undergoing evaluation by the Army Light Plane Division, which wants to give its Pumas all-weather flying capacity. The Orb 31 and 32 radars, for their part, are in production for the French Navy and some foreign navies. These two radars are qualified for different missions, including "fire and forget" firing (permitting immediate disengagement after firing) of the Exocet and Otomat missiles, including their transhorizon versions. [Text] [Paris AIR ACTUALITES in French Apr 82 p 17] 11267

TACTICAL MISSILE SALES--Aerospatiale: record sale of its tactical missiles in 1981. While many programs are in the development process, it should be noted

that three weapons systems being built under Franco-German cooperation account for a major part of the 563,000 missiles ordered from Aerospatiale up to the end of 1981: 158,000 Milans, 35,000 Hots, and 17,000 Rolands. For these three Euromissile programs, exportation is close to 75 percent. [Text] [Paris AIR ACTUALITES in French Apr 82 p 17] 11267

TACTICAL AIR FORCE EXERCISE--EXLOG: From 15 to 26 March, the Tactical Air Force participated actively in the EXLOG 82 exercise. This logistical maneuver, sparked by real air missions, reached an exceptional scope this year. The FATAAC [Tactical Air Force] Fighter Squadrons carried out a great many deployments over all of the national territory. Jaguars were seen operating from Evreux, Avord, Amberieu, Chateaudun, Rochefort. Offensive air operations of very broad scope were conducted by the Mirage III and Jaguar squadrons. At the same time, the bases were placed in operational status, reacting to the incidents injected by the Activation Directorate, receiving and putting back into action, day and night, airplanes diverted from their home bases. We mention also the deployment of a transport squadron, the 1/61 Touraine, at the Saint-Dizier base for a week. All areas of activity were involved, enabling the base commanders to react to fictitious situations as diverse as destruction of base-support organisms, commando attacks, nighttime massing of forces. A field hospital was also activated to prepare 60 supposedly wounded persons for nighttime medical evacuation by a C-160 Transall. This 2-week period of intense activity for the General Staff, activating the CP [Command Post], and for the bases of FATAAC 1st RA [Aviation Regiment], made it possible to test once again the mobility, flexibility of use and operational capacity of the major defense instrument that the Tactical Air Force constitutes. [Text] [Paris AIR ACTUALITES in French Apr 82 p 6] 11267

CSO: 3100/710

## GREEK WEAPON SHIP ALLEGEDLY DETECTED

Istanbul HURRIYET in Turkish 20 Apr 82 p 16

[Text] The latest ploy of Greece, who disregards all international agreements and creates problems at the least likely moments, was exposed by the vigilance of a Turkish motorboat captain.

Captain Mehmet Targan's cool-headed and careful observation has revealed how Greece has supplied the islands under Turkey's very nose with the latest model military equipment.

The latest Greek ploy that tramples on the Lausanne Agreement by secretly arming the islands and turning the area into a time bomb was thus uncovered.

An American Sergeant-Major by the name of Donald Lanakila, who had been working at the NATO Headquarters in Izmir for some time and retired this year, wanted to take his belongings which were at the Bodrum Customs to the island of Cos in order to complete the entrance and exit formalities and rented captain Mehmet Targan's boat "Targan" in order to transport them after completing the formalities. During the customs inspection carried out after the loading of the boat, Saffet Yarguz, employed at the customs, forgot a case which he had brought along and its contents, customs seal and ciphers, aboard. Oblivious to the case forgotten by the customs official, the motorboat "Targan" left for the Island of Cos at 17.15 hours.

As the boat entered the Greek waters and approached the Island of Cos 9 miles off the coast of Bodrum, the Greeks loading and unloading the ships were clustered. As the captain of the motorboat calmly approached the island, he saw that mortars and anti-aircraft were being delivered to military vehicles from a cargo boat. Captain Mehmet Targan observed that a Greek cargo ship number A 357 was carrying out the delivery.

Upon the discovery of their ploy, the Greeks who had turned the island, which was supposed to be a demilitarized zone, into an arsenal, fined the motorboat captain Mehmet Targan, who had seen the arms transportation, 1,000 drachmas on the grounds that he had entered the port untimely and without notice. Meanwhile, the officials surrounded the boat and started to search it. The Greeks turned the boat upside down in an effort to find an object of investigation. It was at this time that a black case caught the attention

of the Greek officials. The contents of the case, a customs seal embosser and the "Red Seal," were confiscated. In the meantime, permission was not granted to unload the belongings of the American official and the boat was sent back.

The alert captain Mehmet Targan reported the incident to the military and civilian officials as soon as he returned to Bodrum. He recounted how the Greeks loaded military vehicles with weapons of war on the Island of Cos which is a stone's throw away from Bodrum.

While the absent-mindedness of the customs official Saffet Yarguz turned into a political issue, Ankara, the Office of the Governor of Mugla and the Martial Law Headquarters were notified. As the customs official Saffet Yarguz was requested to step down from his post, an investigation concerning the two-day delay of the Bodrum Security Superintendent of Police Hulusi Erbilgin in reporting the incident was underway.

Later, upon the request of the Turkish officials, the seal which was confiscated in the Island of Cos, was returned after three days. However, the seal, which had been in use since 1940 and embossed, "Gumushane Directorate of Customs" was rendered void and all the directorates of customs were notified of the action. With the return of the seal, the customs official who had been suspended from duty returned to his job.

#### HURRIYET Team

The HURRIYET team carried out a wide-scale investigation in and around Bodrum upon learning of the Greek armament in the Island of Cos. The accounts of many sailors indicated that the islands in the vicinity were heavily armed by the Greeks. It was attested that the Greeks laid a great deal of importance on Istandkoy, known as the Island of Cos in Europe, that anti-aircraft shelters lined the shores of the island and that the latter were transported inland with the onset of the tourism season. It was understood from eye-witness accounts that the weapons were carried to Cos in cargo boats and from here some of the military equipment was delivered to nearby islands.

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## PROFILE OF NEW PCI SECRETARY IN SICILY COLAJANNI

Rome L'ESPRESSO in Italian 23 May 82 pp 37-42

[Article by Cristina Mariotti: "The Napoleonites"]

[Text] Son of Pompeo and descendant of Napoleone Colajanni, the new PCI secretary for Sicily has received the heritage of Pio La Torre. Here is his story and a view of his dynasty.

Palermo--Scion of a dynasty rooted in the shade of the carob tree in Caltanissetta, Luigi Colajanni "the Young," 39 years old, born in Turin and raised in Florence, is the new PCI regional secretary for Sicily. He has been bequeathed a difficult heritage in the name he bears--his father Pompeo was the most popular communist on the island after Girolamo "Mammo" Li Causi--and the post he has filled, formerly occupied by Pio La Torre, another historical figure in Sicily's party ranks.

Aware of the tremendous burden weighing on the young regional secretary, the authorities in Rome have awarded him the badge of membership on the national board. At the central committee session last Tuesday, Colajanni delivered a report on the mafia and the camorra to the satisfaction of UNITA: quoting both the CORRIERE DELLA SERA and Malcolm X in his speech, he proposed an antimonopoly law aimed against the Sicilian building construction trust, and an antimafia pact, asking for the solidarity of all parties to combat the mafia syndicate. But his voice may well be drowned out by the late La Torre who, a leader in his lifetime, has become a myth in death. "Because we want him to go on speaking to his comrades," says Francesco Renda, Sicilian historian and president of the Gramsci Institute in Palermo, "we have collected an anthology of his best writings and speeches in a book we will issue in record time, ordered by the entire party, and given special distribution."

Colajanni's own reputation? Luigi Colajanni has been baptized with affectionate irony by his political colleagues, succeed in casting off a family tradition of upper-middle-class snobism? For the present, the party is keeping its head south on Luigi's young son. In the secretariat he has been flanked--for the first time--by two deputy secretaries, Michelangelo Russo, former president of the regional assembly, now PCI leader, and Elio Sanfilippo, head of the Palermo federation. Some believe them to be indispensable toward



strengthening the secretariat (physically, too) against mafia ferocity. Others point out, however, that in the past, Luigi's two tutelary dieties in the secretariat opposed his candidacy for the top post and agitated instead for La Torre.

Luigi Colajanni is not yet popular in Sicily. People silently accuse him of distancing himself at an early age from his native soil and returning to it almost a stranger. They disapprove of his "tischit-schit" language, as Sicilians describe excessively polished, theoretical speech. They feel that he lacks the aristocratic charisma of the family founder, the legendary Napoleone Colajanni, and the sanguine extroversion of his father Pompeo, wartime partisan hero beloved even by his enemies, such as the Christian Democrat Salvo Lima. But Luigi Colajanni is discreet and cordial when need be, rational and efficient, and fearless in any confrontation. "I have no fear," he says. "I am ripe for this job. I was secretary of the Palermo federation when Giuliano, Terranova, Mattarella and Costa were assassinated. The events of that period gave me a thorough training."

His family is a bourgeois dynasty of independent professionals and freethinkers who have figured prominently in the history of Italy from the Bourbons to unification. Today the clan has branches in the whole communist party, both Sicilian and national. Colajanni avows his deep cultural pride in belonging to it, "Even though I have achieved my own identity over many years." As secretary of the Palermo federation, in 1979 he convoked a meeting, at which he spoke on the subject of "Mafia and Politics," passionately combining the theories of his ancestor Napoleone Colajanni with those, closer to criminal anthropology, of Hans Magnus Enzensberger, thus arousing considerable stupor and dismay. "Because the mafia is one of the fastest accumulators of capital," he said, "distributing wealth and speeding up the process of social mobility, the truth is that today it doesn't alarm anyone any more."

In a book entitled "In the Realm of the Mafia," in 1900 the elder Napoleone, follower of Garibaldi, republican and deputy in Parliament, already anticipated a good part of the conclusions arrived at by the most recent antimafia commission on the close ties between the mafiosi and politics. The book even holds the key to the corrupt politics that led to the murder of the bandit Giuliano half a century later, a crime in which Giuliano was killed by a rival brigade for futile motives and assassinated a second time by a police coverup recalling the "sham of Castelvetro," and by the carabinieri.

In common with the "historical" Colajannis, the young scion speaks of his own "reason in conflict with passion...Now and then we burst out in explosions," he explains. Old Napoleone's father Luigi endured imprisonment and exile at the hands of the Bourbons for his volatile temperament. At the tender age of 13, Napoleone wanted to leave home and campaign with the Garibaldi troops; at 16, he was jailed at Aspromonte; at 45 in Parliament, he provoked the Banca Romana scandal, obliging his enemy Giolitti to flee. Pompeo, a cavalry officer under fascism, began his conspiracies when he was barely 20 years old. At what point did Luigi, son of Pompeo, have his [first] explosion? "In

Florence," he replies, "in the first demonstration against Vietnam. I was arrested for militancy in the student movement." Already enrolled in the PCI youth federation, immediately afterward he departed for Algeria, where he engaged in civil service for 2 years as an alternative to military service.

On his return to Italy, his political intemperance was forgotten, and he began his career all over again. He sat with the regional committee in Florence, and took charge of its cultural affairs, meanwhile earning his degree in architecture under Leonardo Ricci, whose assistant he became. "Those 10 years were decisive in my formation," he remembers. "In Florence I had highly important contacts, intellectually with Luporini, Garin and Proccacci, politically with Pasquini, Pieralli and others."

Born in Briccherasio, near Turin, Luigi Colajanni is half Sicilian, the offspring of Pompeo, then a partisan hiding in the mountains, and Lina Caltanotto, a pure-blooded Piedmontese. To him Sicily signifies primarily the home of the family cult, "with so many legends and prominent personalities," he says, "that it was hard for me to find myself there. That was one of my reasons for escaping to Florence."

Rather than Caltanissetta, where the family originated in their fine old country house--"my grandparents made me drink milk from a metal bowl, giving it a flavor I have never forgotten"--Luigi Colajanni feels more at home in Piedmont. For a good part of his life he spent his summers there with his adored uncle Giovanni Berlinguer, a distant relative of the PCI national secretary and brother-in-law of his mother. "And I look more like my mother," he says, "than my father."

In 1976, Achille Occhetto, the "continental," a youthful emergent communist, then regional secretary in Palermo, urged him to return to Sicily. "We need modern, prepared officials," he told him. "I knew I would have to square accounts with Sicily sooner or later," Colajanni recalls. "Until then, I had kept delayed, not replying without even thinking it over." First he joined the national committee, then the federation, and eventually became deputy to the secretary of the PCI, as PCI secretary for Sicily when the national secretary left. On this Colajanni goes on: "Perhaps I miss Florence a little, but certainly I find Palermo more stimulating. In any event, I like the island life, the history and the time I should need to devote myself to culture in Sicily." When Occhetto, a Milanese, departed for Rome, he left Colajanni as his successor in the Palazzo Raffadali in Ballaro, the only Colajanni to live away from the island. In the family, the Colajanni heirs have chosen the oldest son, the one he prefers is the youngest, Antonio, who lives in Florence, near a tower in Tuscany. Says Luigi, "I feel myself part of the Colajanni tribe on the island."

Luigi Colajanni, 1978, in the Palazzo Raffadali in Ballaro.

Colajanni's family has been in the PCI. All are descendants of a 17th-century Sicilian who engaged in a personal war against the Spanish power and fathered Napoleone Colajanni, the most outstanding personality in the island's culture and politics after Gaetano Salvemini. The founder of the

communist dynasty in the 1930's was Pompeo, son of Luigi II and protagonist of the struggle for Sicilian regional autonomy. The ordinal numbers are meaningful because, following the Sicilina tradition, the Colajanni family repeat given names, skipping one generation to go from grandfather to grandson. The [first-born] males, therefore, will be baptized Luigi, Napoleone or Pompeo. Of the offspring of Luigi II, nephew of Napoleone I (the "old man" and proud antifascist), one, Napoleone II, has chosen to pursue politics in the ranks of the MSI; Enrico prefers his work in insurance; and Maria Letizia, 42, unmarried, combines her work in the Caltanissetta UDI with a religious fervor not encouraged by her kinfolk. The three are brothers and sister of Pompeo, father of Luigi III, currently PCI regional secretary in Sicily. Pompeo's children are politically close; Luigi, Alessandro, engineer in Turin, regional functionary Giorgio, Emilia, a psychologist at Ucciardone, and Enrico all belong to the PCI Colajanni branch.

Also communist are Pompeo's cousins: Senator Napoleone Colajanni, formerly regional secretary in Palermo (the same post occupied today by Luigi III), Benedetto, professor of engineering and head of the party's urban sector, and Maria Letizia, another UDI animator and wife of a lawyer who represents the PCI in Palermo's hospital commission. Likewise involved in PCI politics is the wife of Pompeo, Lina Caffaratto, who replaced Leonardo Sciascia as communal counsellor, and an acquired cousin Laura, director of the Italy-USSR association in Palermo and widow of Gianni Colajanni, who lost his life in a sports incident.

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## DEFENSE MINISTER'S STAND AGAINST UNITED STATES PRAISED

Lisbon O JORNAL in Portuguese 21 May 82 p 4

Article by Manuel Beca Murias: "David (Freitas do Amaral) Against Goliath (Pentagon)"

[Text] The refusal to allow American jet planes to land in Lajes is a new political development in Portuguese diplomacy, but it is not a question of "rashness," because when all is said and done it falls within a European inclination to nip at the heels of the giant in search of their own path.

When the Americans supported Israel in the so-called Yom Kippur War in October of 1973, it was said in diplomatic circles that, needing to use the Azores for the airlift, Henry Kissinger, at the State Department in Washington, called the Portuguese ambassador and informed him of this fact.

"I will inform my government," the Portuguese representative is reported to have responded, as expected.

"Don't trouble," Kissinger is said to have retorted, as if he were saying "There is no need, because we will land in any case."

At the beginning of May 1982, on the 10th, apparently, the Americans, needing to use Lajes for the landing of F-16 jets bound for Egypt, not only found that it was really necessary to ask Portugal's permission, but obtained a negative response.

This attitude is termed "unprecedented" in the relations between Portugal and the United States, the main ally and dominant force in NATO, among the founders of which both nations were to be found on 4 April 1949.

Robert Burt, the former star reporter of THE NEW YORK TIMES, and currently an influential conservative political adviser to Ronald Reagan, stressed in speaking to the press, according to reports which reached Lisbon on the 14th of this month, that "To demonstrate dissatisfaction with the level and terms of the military aid program," the Lisbon government "prohibited the landing of American planes." With this revelation, Burt hoped to strengthen the request of the American executive branch that 20 million dollars worth of weapons be provided for Portugal.

The Portuguese have obtained modest counterpart funds for the use of the Azores, first from the British and later from the Americans, since 1944. But it is for the latter that the base has proven most useful, and not only for the Yom Kippur War (which moreover provided Portugal with a costly oil embargo and interminably long lines at gasoline stations). The United States used Lajes in operations outside the scope of NATO, for the intervention in Lebanon in 1958; for aiding Tshombe, in Katanga, in 1974; in the trips back and forth for the Camp David negotiations; and in the Tehran hostage crisis--to mention only the "overt" uses.

Now, however, the Portuguese Government, while acknowledging that the renegotiation scheduled for February 1983 of the agreement for the use of the base is in the preparatory phase, says, as did Freitas do Amaral during his Comiberland visit this week, that each request to use the base for purposes lying outside the normal scope of the Atlantic Alliance will be "examined case by case," which is moreover consistent with what has been agreed between the two countries.

The minister of defense, speaking on the RTP [Portuguese Radio-Television System] at the Oeiras Command Headquarters, explained clearly that Portugal is unhappy with the lack of U. S. and NATO support for the reequipping of the armed forces. He added that "We do not want to be a passive, but rather an active, partner in the alliance," or as the minister of foreign affairs said at the Atlantic council meeting in Brussels, Portugal is not willing to be merely an 'aircraft carrier' or 'landing dock'."

This "thrust," as they say in bullfighting circles, was the cause of a certain alarm in political circles, and some commentators hasten to explain that on the one hand, the two governments had done nothing but to implement the positions adopted by Ramalho Eanes during his recent visit to Brussels, during which the possible future withdrawal of Portugal from the alliance was discussed. In the view of others, the government was pushed toward this attitude by the urgent need to obtain money to contribute to the solution of a situation of near financial bankruptcy, which is difficult to accept, since it seems to neglect the fact that rearmament or reequipping could reduce the "deficit."

Alexander Haig, who met with Goncalves Pereira in Luxembourg, sought in turn to minimize the drama in Portugal's attitude, saying that discussions prior to the landing of planes are normal, that the United States understands that no one is satisfied with the military aid received, and that Portugal's complaints can readily be resolved.

#### Internal Goals

The truth is, however, as was said before, that there was a time when the Americans did not even take the trouble to consult Lisbon first, and the problem, whether it be renegotiation of the Lajes arrangement or that of American military aid, with regard to Portugal as well as other countries, is not easy to resolve.

Although mitigated by the immediate assurance that Portugal does not want to alienate its best ally, the attitude of the government has an explanation which goes beyond the "tribulations of the masses" and the accumulation of certain obvious internal consequences. This explanation would involve an effort to show the armed forces that, at a time when constitutional amendment is in progress, the civilian regime to which they will be subordinate is concerned with reequipping them, and an effort to challenge the leadership and prestige which Ramalho Eanes enjoys within the armed forces at a time when the constitutional revision itself is depriving him of vast authority in the military sector, in particular where the appointment of commanders is concerned.

The attitude of Freitas do Amaral, which is far removed from the imitative nature of the earlier undertakings, can be analyzed within the broader context of European-U. S. relations, and their reflection of the crisis within the Atlantic Alliance itself.

In November of 1981, the United States met with great resistance on the part of the European leaders concerning acceptance of the future installation of a new generation of missiles on the Old Continent--and the young people of Europe went into the streets to protest vehemently. Later, there was European resistance to support of the hardening of relations with the USSR because of Afghanistan, and later, in connection with Poland, it became evident that the "Ostpolitik" was no longer merely a German practice. Capitalist Europe, while confirming again that it shares the desire of the United States to defend the values of pluralist democracy and civic liberties, but without failing to note its opposition to what the West likes to call the "Soviet threat," is concerned about keeping open "avenues of understanding" with the Soviet bloc, and has rejected the bellicose policy of Ronald Reagan with greater or lesser vehemence.

The United States has ceased to be the richest nation in the world (if its basic statistics are compared with those of the European powers), nor is it any longer militarily stronger than the USSR. Europe does not want to be the ball in the middle in the nuclear billiard game between the two powers, and is challenging the United States for markets and raw materials sources--and these questions are reflected within the alliance itself which, examining its umbilical cord, sees that the presumptions of the 1940s which led to its establishment have been profoundly changed.

#### Neoisolationism

The defense minister of a weakened government in a small country in crisis, and ready for that reason alone to join the EEC, can no longer (nor even needs to) speak in masterly fashion. The results, moreover, are subject to doubt, because the Americans are ever less inclined to pay for European defense.

The reaction in the United States to the European rebellion reveals some neo-isolationist characteristics. If the Europeans, some American politicians think today, want to have their own foreign policy and their own defense, they should be ready to contribute more financially to the military expenditures of the alliance, on which the United States has been forced to expend many millions of dollars.

American neoisolationism is not, however, a dominant factor, the political analysts believe, but ups and downs such as the Malvinas developments--which place the United States in a very vulnerable overall international situation, since it is a war the results of which, whichever way they go, will be unfavorable to the Yankees, are causing ever more voices to be raised in the question as to whether it is in fact worthwhile to continue to serve as the riot police of the "free world." Haig has talked about shuttle diplomacy, but has been unable to calm such previously levelheaded partners as Portugal, and even at a time when Spain is about to join NATO, expresses surprise at the conditions set by the small Iberian ally on the way in which its more powerful neighbor will participate. And suddenly the latter refuses to renew the treaty of friendship with Washington gratuitously, and turns up its nose at the installation of nuclear weapons on its territory.

David (Freitas) is facing Goliath (Pentagon). And he will speak to the Supreme General Staff on the subordination of the military to the civilian regime, and on the reequipment issue. Curiously enough, he will speak in the same hall where his government and party colleague Bayao Horta stated that what Portugal needs is a new Marshall Plan--but offered by the EEC.

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